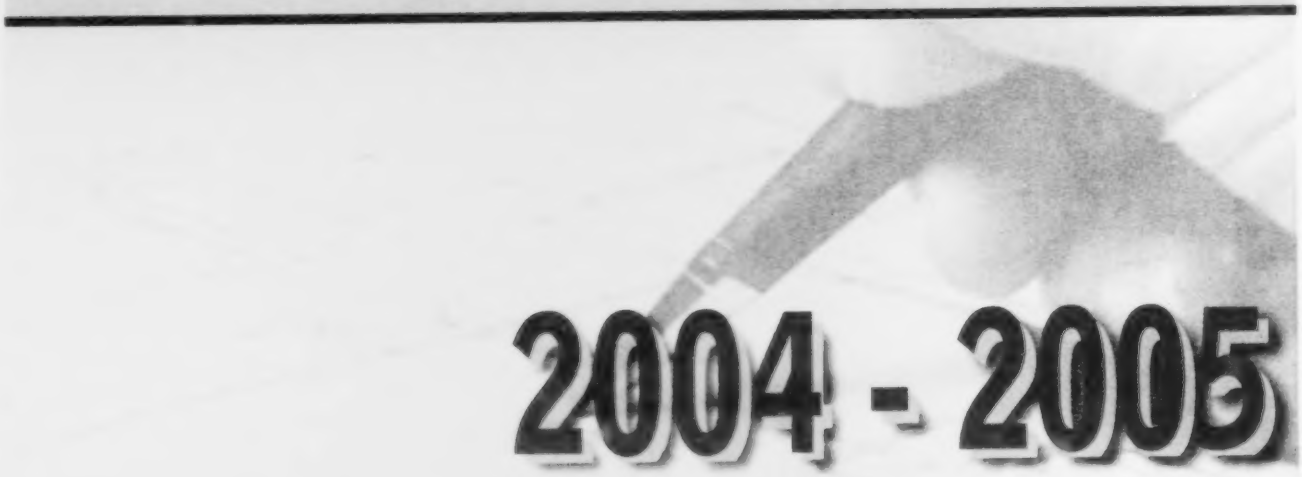
Alberta Infrastructure and Transportation

Annual Report

Bridges | Driver Education | Driver Records | Government Facilities
Health Facilities | Land Management | Leased Space | Licensing Standards
Multi-Modal Transportation | Post-Secondary Institutions | Provincial Highways & Railways
Schools | Seniors' Lodges | Transportation Safety Board | Water/Wastewater Infrastructure



2004 - 2005

Alberta

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Preface

Public Accounts 2004-05

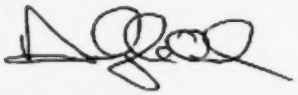
The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 ministries.

The annual report of the Government of Alberta released June 29, 2005 contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

On November 24, 2004, the previous Alberta Infrastructure and Alberta Transportation portfolios were combined into one ministry. This annual report of the Ministry of Alberta Infrastructure and Transportation contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results encompassing information from both former ministry business plans. This Ministry Annual Report also includes other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

Minister's Accountability Statement

The Ministry's Annual Report for the year ended March 31, 2005, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 9, 2005, with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.



Dr. Lyle Oberg
Minister of Alberta Infrastructure and Transportation

Message From The Minister

The past year was one of challenges and successes. In November 2004, the former Ministries of Alberta Infrastructure and Alberta Transportation merged, centralizing government's capital planning and construction, as well as tendering and contract management processes. The combined Ministry of Alberta Infrastructure and Transportation has overall responsibility for Alberta's road and bridge infrastructure, water management, municipal water and wastewater treatment facilities, transportation safety programs, school buildings, health facilities, post-secondary institutions, government buildings, property acquisition and disposal, and government's vehicle and aircraft fleets. It is a large mandate, one the Ministry is proud to deliver on behalf of all Albertans.

As part of Budget 2004, the 2004-07 Capital Plan committed $6.5 billion to capital projects over three years, an amount $900 million in excess of that committed in the 2003-06 Capital Plan. The increased support allowed new capital projects to begin and the pace of existing projects to proceed more rapidly than was planned. Through the use of the Capital Account and alternative financing, the Capital Plan provides government more flexibility for longer-term capital commitments, demonstrating this government's commitment to addressing Alberta's infrastructure needs.

The largest component of the Capital Plan is the investment of $1.7 billion in the provincial highway network. Among the major projects proceeding in 2004-05 were additional segments of Calgary and Edmonton ring roads. Most notable is the public-private partnership (P3) nature of the southeast section of Edmonton's Anthony Henday Drive. This project is a design, build, operate and finance project, containing many advantages over the traditional government funding alternative. The entire segment of roadway, including 11 kilometres of road, 24 bridge structures and five interchanges, will open simultaneously in fall 2007; an estimated two years earlier than traditional-build. The private consortium will operate and maintain the road for 30 years and is prohibited from charging tolls or using advertising to generate revenue. Other benefits to the province include protection from the risk of cost overruns, construction delays, weather delays, design risk and construction defects. The roadwork will be completed sooner, capital costs are fixed and the Ministry is protected from inflation.

In August 2004, the provincial government proceeded with plans for a $300 million consolidated courthouse in downtown Calgary that will accommodate the Provincial Court and Court of Queen's Bench. The project will be a provincial government funded P3 initiative with the private sector designing, building, operating and maintaining the Centre. Completion is anticipated in the fall of 2007.

In 2004-05, several post-secondary projects throughout the province received a capital investment of $150 million. Among the institutions benefiting from this investment are the University of Calgary, the University of Alberta – Augustana Campus, both Northern and Southern Alberta Institutes of Technology, the University of Lethbridge, the Banff Centre and the Keyano College in Fort McMurray.

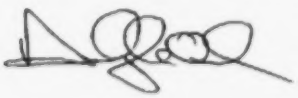
In 2004-05, $322 million in transportation grants were provided to municipalities. Edmonton and Calgary received approximately $74 million and $90 million respectively in 2004-05, based on five cents per litre of fuel delivered within their boundaries. Other urban centres, towns and villages received approximately $60 per capita under the Basic Capital Grant and the Streets Improvement Program to assist with their local transportation needs. Rural municipalities also benefited from formula based grants to assist with funding their road network needs.

During the year, work commenced on the development of a new provincial $3 billion Alberta Municipal Infrastructure Program to assist municipalities in meeting their overall infrastructure needs. As well, negotiations were undertaken with the federal government in developing program criteria and processes for the New Deal for Cities and Communities ($477 million over five years) and the cost-shared Municipal Rural Infrastructure Fund, which will provide $88 million from each level of government (federal, provincial and municipal) over a three-year term.

Traffic safety continued to be one of the Ministry's top priorities in 2004-05. In the spring of 2004, the Ministry requested retired RCMP Assistant Commissioner, Don McDermid, to review the state of Alberta's traffic safety measures and provide recommendations to enhance traffic safety in Alberta. Following submission of the report, the provincial government accepted all nine recommendations for adopting traffic safety prevention strategies resulting in the creation of a cross-ministry initiative to develop the Alberta Traffic Safety Plan. The plan envisions a reduction in deaths and injuries, as well as cost, for the people of Alberta consistent with the targets set under Canada's Road Safety Vision 2010.

In celebration of Alberta's 100th birthday, the Ministry commenced numerous facility upgrades including restoration of Lougheed House, refurbishment of the Northern and Southern Alberta Jubilee Auditoria, upgrading and expansion of the Royal Alberta Museum (previously known as the Provincial Museum) as well as upgrades to several parks throughout Alberta.

Overall, it has been a very successful year and both former ministries achieved the strategic priorities laid out in their 2004-07 Business Plans. Alberta Infrastructure and Transportation is positioned to move forward into 2005-06 with confidence, expertise and knowledge. I am confident the Ministry will continue to be effective in focusing on its priorities. The Ministry will continue to employ advances in innovation and technology to improve traffic safety on Alberta's highways. Alberta Infrastructure and Transportation will also work to ensure that existing infrastructure is preserved and appropriate new capital infrastructure is provided to support economic growth and address the shifting demographics of the province for the benefit of all Albertans.



Dr. Lyle Oberg
Minister of Alberta Infrastructure and Transportation

Management's Responsibility For Reporting

The Ministry of Alberta Infrastructure and Transportation includes the Department of Alberta Infrastructure and Transportation, and the Alberta Transportation Safety Board. The executives within the Ministry have the primary responsibility and accountability for the Ministry. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

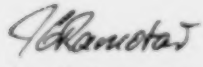
Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Alberta Infrastructure and Transportation. Under the direction of the Minister, I oversee the preparation of the Ministry's Annual Report, including financial statements and performance results. The financial statements and performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control, which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money
- provide information to manage and report on performance
- safeguard the assets and properties of the Province under Ministry administration

- provide Executive Council, Treasury Board, the Minister of Alberta Finance and the Minister of Alberta Infrastructure and Transportation any information needed to fulfill their responsibilities
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executives within the Ministry.



Jay G. Ramotar
Deputy Minister
Alberta Infrastructure and Transportation
September 9, 2005

Operational Overview

On November 24, 2004, the former ministries of Alberta Infrastructure and Alberta Transportation were combined to create the Ministry of Alberta Infrastructure and Transportation.

The Ministry has developed a combined vision, mission and set of core businesses and goals as noted below to reflect its new mandate. As a restated 2004-07 Business Plan for this Ministry was not published, the results analysis section of this annual report references the performance measures and related goals outlined in the 2004-07 Alberta Infrastructure Business Plan and 2004-07 Alberta Transportation Business Plan published on March 24, 2004 as part of Budget 2004.

Our Vision

Alberta Infrastructure and Transportation is a centre of excellence that provides modern infrastructure to support Alberta's growth and prosperity.

Our Mission

Alberta Infrastructure and Transportation contributes to Alberta's economic prosperity and quality of life through the provision and support of effective and safe transportation, public buildings, and environmentally safe water and wastewater infrastructure.

Our Core Businesses

1. **Manage provincial transportation safety programs**

2. **Plan, develop and manage government-owned infrastructure**

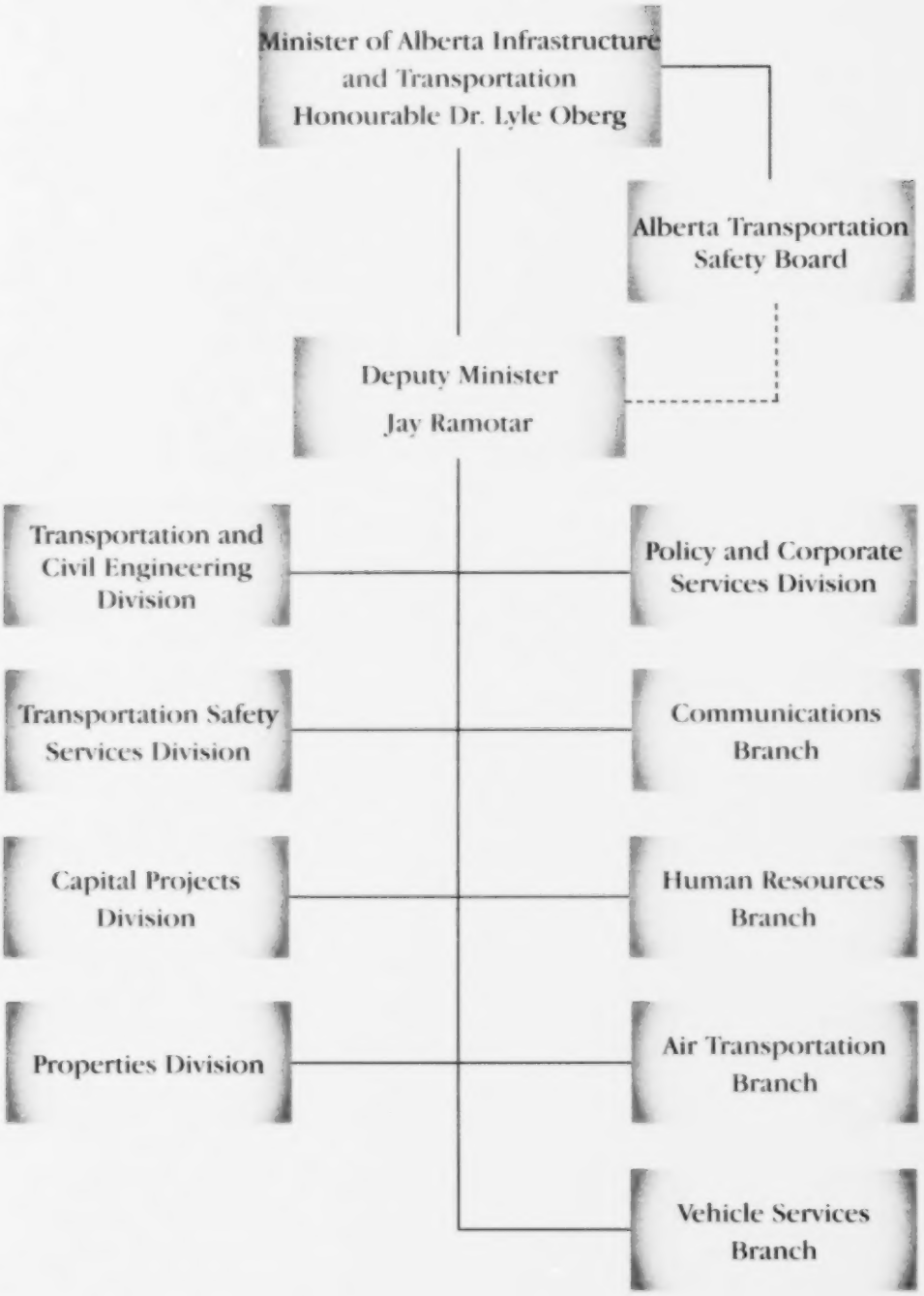
3. **Partner with municipalities and boards to plan, develop and implement infrastructure that meets local needs**

4. **Represent Alberta's interests in transportation policy**

5. **Provide strategic services to government ministries, boards and agencies**

Ministry Organization

(as at March 31, 2005)



Ministry Contacts

Minister of Alberta Infrastructure and Transportation
Honourable Dr. Lyle Oberg

Telephone: (780) 427-2080
Fax: (780) 422-2722

Deputy Minister of Alberta Infrastructure and Transportation
Jay G. Ramotar

Telephone: (780) 427-6912
Fax: (780) 422-6515

Alberta Transportation Safety Board
Gary Boddez, Chair

Telephone: (780) 427-8623
Fax: (780) 422-9739
Email: gary.boddez@gov.ab.ca

Reporting directly to the Minister, the Board is the administrative authority charged with making operator licence determinations. It conducts hearings in relation to the reinstatement of licences for suspended drivers through the Alberta Administrative Licence Suspension Program and the Alberta Zero Alcohol Tolerance Program; impaired driving convictions through the Ignition Interlock Program; and the Vehicle Seizure Program. In addition, the Board is the appeal body for decisions of the Registrar relating to driver training schools, driver instructors, driver examiners, vehicle inspection stations, vehicle inspection technicians, safety fitness certificates, carrier safety ratings and administrative penalties assessed. The Board is also responsible for appeals surrounding decisions and actions taken under the *Railway (Alberta) Act*.

Capital Projects
Barry Day, Acting Assistant Deputy Minister

Telephone: (780) 427-6554
Fax: (780) 427-3873
Email: barry.day@gov.ab.ca

Works with partner ministries, boards, agencies and other stakeholders to provide, preserve and upgrade supported capital infrastructure including health facilities, schools and post-secondary institutions. The division also provides advice to seniors' lodge foundations in operating and maintaining their facilities. Capital Projects also manages the implementation of approved capital projects, undertakes facility evaluations to monitor their condition and assist in planning of required upgrades, and administers Plant Operation and Maintenance funding for schools.

Properties
Bob Smith, Assistant Deputy Minister

Telephone: (780) 427-3875
Fax: (780) 422-1389
Email: bob.smith@gov.ab.ca

Plans and implements government accommodation and government-owned capital construction projects. Operates and maintains government-owned properties. Provides real estate services, handles land planning services and manages the Edmonton and Calgary Transportation and Utility Corridors on behalf of the provincial government. Provides on-request real estate services to boards and agencies throughout the province. Manages the Swan Hills Treatment Centre and administers the Natural Gas Rebate Program.

Transportation and Civil Engineering
Rob Penny, Assistant Deputy Minister

Telephone: (780) 422-2184
Fax: (780) 415-1268
Email: rob.penny@gov.ab.ca

Plans, programs and delivers provincial highway and bridge construction and rehabilitation projects, as well as numerous special projects, such as the North-South Trade Corridor. Manages provincial highway maintenance activities and, in conjunction with Alberta Environment, the construction, rehabilitation and upgrading of water management facilities. Responsible for grant programs for municipal transportation, water/wastewater and the Infrastructure Canada-Alberta Program.

Transportation Safety Services
Gregg Hook, Assistant Deputy Minister

Telephone: (780) 415-1146
Fax: (780) 415-0782
Email: gregg.hook@gov.ab.ca

Oversees driver and vehicle safety, driver licensing standards, driver fitness and licence enforcement, road safety information and programs, impaired driver prevention programs, dangerous goods control, and monitoring the motor carrier industry and provincial railways. Administers over-weight and over-dimension highway permits and commercial vehicle inspection station services. Transportation Safety Services also undertakes various educational initiatives aimed at the traveling public, commercial carriers and shippers, pedestrians, schools and other interest groups.

Policy and Corporate Services

Brian Marcotte, Assistant Deputy Minister

Telephone: (780) 415-1386
Fax: (780) 427-1066
Email: brian.marcotte@gov.ab.ca

Develops provincial policies and influences national/international policies related to all modes of transportation. Supports other initiatives such as barrier free transportation and climate change. Leads and reviews major policy initiatives related to transportation programs and government-owned and supported facilities. Manages Ministry strategic and business planning/reporting processes and performance measures. Develops new and manages existing legislation and regulations, and other legislative documents. Manages the Freedom of Information and Protection of Privacy process for the Ministry. Leads government's capital planning process in consultation with all ministries. Supports public-private partnership (P3) approaches for capital projects. Develops and monitors Ministry budgets, and oversees all financial policies and systems, processes and internal controls within the Ministry. Provides information management development and support for all Ministry locations within the province and provides automated records services.

Communications

Bart Johnson, Director

Telephone: (780) 415-1841
Fax: (780) 466-3166
Email: bart.johnson@gov.ab.ca

Provides strategic communications planning and consultation for the offices of the Minister, Deputy Minister and the Ministry. Services include media relations, issues management, strategic communication planning, speech writing, news releases, web site content, advertising copy, and other support materials, as well as graphic design support for the Ministry. Manages the Ministry's information line and web site mail and handles communications during dangerous goods incidents.

Human Resources
Vacant, Executive Director

Coordinates the development and implementation of Ministry human resource policies, programs and strategies, and provides education and information on managing human resources. Provides quality assurance and contract management for transactional human resource activities undertaken through the Alberta Restructuring and Government Efficiency Ministry, including job classification, job evaluation, recruitment and selection, training and development, employee relations and occupational health and safety services. Coordinates the provision of education and human resource information for managers and supervisors to fulfill their leadership roles.

Vehicle Services Branch
Larry Robins, Director

Telephone: (780) 427-8603
Fax: (780) 427-2163
Email: larry.robins@gov.ab.ca

Vehicle Services manages and monitors the vehicle fleet on behalf of the Government of Alberta. This area oversees the light duty vehicles leasing contract with a private sector provider, the government-owned light duty fleet and the operations of executive fleet.

Air Transportation Branch
Rob Madden, Director

Telephone: (780) 427-7341
Fax: (780) 422-1232
Email: rob.madden@gov.ab.ca

Air Transportation Services provides air travel to provincial government ministries, boards and agencies to support government program delivery and, at times, provides transportation to aid in emergency and disaster response. The fleet consists of one nine-passenger and two seven-passenger Beechcraft King Airs, and a 36-passenger DeHavilland Dash 8.

Quick Facts

All figures shown below represent approximate data as of March 31, 2005. The information provided for facility space represents gross area.

Health Facilities	• Nine Regional Health Authorities • One Cancer Board • 30.1 million sq ft (2.8 million m^2) facility space
School Facilities(K – 12)	• 64 Boards • 13 Charter Boards • 74.4 million sq ft (6.9 million m^2) facility space
Post-Secondary Institutions	• Four Universities & 14 Colleges • Two Technical Institutes & the Banff Centre • 39 million sq ft (3.6 million m^2) facility space
Seniors' Lodges	• 121 Seniors' lodges • 3.2 million sq ft (0.3 million m^2) facility space
Owned and Leased Properties	• Properties include courts, correctional centres, historic sites, museums, interpretive centres, laboratories, general office space, group homes, residences, recreational facilities, education/training facilities, legislative facilities, maintenance and services properties, warehouses, parking and multi-use facilities. Combined facilities comprise: — 1,819 Owned Buildings with 20.2 million sq ft (1.9 million m^2) facility space — 309 Leased Buildings with 6 million sq ft (0.56 million m^2) facility space
Roads	• 30,800 kilometres in provincial highway network. Over 26,200 kilometres paved; the balance is graveled. • 3,870 bridge structures on the provincial highway network
Drivers	• 2.4 million licensed drivers and 3.4 million vehicle registrations • Nearly 300,000 of the 2.4 million licensed drivers are designated as professional drivers
Motor Carriers	• 18,400 licensed motor carriers
Rail	• 7,244 kilometres of rail line including 1,100 kilometres of shortline railway under Alberta's jurisdiction • 40 million tonnes of freight exported annually • 11 million tonnes of freight imported annually • Legislative authority for five public railways, 191 industrial railways and six amusement railways
Airports	• Two international and nine regional airports handled over 12.5 million passengers during 2003 • 72 paved community airports
Water Management	• 150 major water management facilities including dams, diversion works, weirs and control structures. These facilities secure water for 55 municipalities and 1.3 million acres of irrigated land. • 510 kilometres of main irrigation canals

Results Analysis

AUDITOR GENERAL *Alberta*

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures

To the Members of the Legislative Assembly

In connection with the Ministry of Infrastructure and Transportation's performance measures included in the *2004–2005 Annual Report of the Ministry of Infrastructure and Transportation*, I have:

1. Agreed information from an external organization to reports from the organization.
2. Agreed information from reports that originated within the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.
3. Checked that the presentation of results is consistent with the stated methodology.
4. Checked that the results presented are comparable to stated targets, and information presented in prior years.
5. Checked that the performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2004.

As a result of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the performance measures included in the *2004–2005 Annual Report of the Ministry of Infrastructure and Transportation*.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
August 16, 2005

Expense By Function

In concert with Government of Alberta accounting principles, Alberta Infrastructure and Transportation classifies its expenses into nine functions: Transportation, Communications and Utilities; Education; Health; General Government; Protection of Persons and Property; Environment; Recreation and Culture; Agriculture, Resource Management and Economic Development; and Housing. Each of these functions identifies the principal purpose for which Ministry expenditures are incurred. It should be noted that Expense By Function is only for operating expenditures.

Expense by Function by Dollars (in thousands)	2004-05 Budget (Estimates)	2004-05 Actual	2003-04 Actual
Transportation, Communications and Utilities	995,797	1,262,681	1,034,670
Education	810,805	802,583	614,003
Health	356,408	654,167	225,514
General Government	314,282	293,090	310,306
Protection of Persons and Property	29,331	31,121	29,123
Environment	26,008	25,529	27,146
Recreation and Culture	12,863	13,699	13,376
Agriculture, Resource Management and Economic Development	18,606	12,889	14,235
Housing	6,782	3,455	6,834
Total Ministry	**2,570,882**	**3,099,214**	**2,275,207**

Overall, approximately 97 per cent of the Ministry's expenditures support the functions of Transportation, Communications and Utilities; Education; Health; and General Government. A percentage allocation of the expenses by function is presented below.

Expense by Function by Percentage	2004-05 Budget (Estimates)	2004-05 Actual	2003-04 Actual
Transportation, Communications and Utilities	38.7%	40.7%	45.5%
Education	31.6%	26.0%	27.0%
Health	13.9%	21.1%	9.9%
General Government	12.2%	9.5%	13.6%
Other Functions	3.6%	2.7%	4.0%
Total Ministry	**100.0%**	**100.0%**	**100.0%**

Transportation, Communications, and Utilities
The Ministry's programs relating to the *Transportation, Communications and Utilities Expense by Function* include Provincial Highway Systems, Municipal Support Programs including water/wastewater, Infrastructure Canada–Alberta Program, Transportation Program Services and Ministry Support Services, Natural Gas Rebate Program, Land Services and Transportation non-cash programs (such as Amortization of Capital Assets and Consumption of Inventories).

Education
Included in *Education Expense by Function* are grant payments for school plant operations and maintenance, modernizing and preserving existing schools, construction of new or replacement schools/post-secondary facilities and program support.

Health
Funding for Health Facilities Infrastructure grants and related program support are included in *Health Expense by Function*. The grants provide funding for the Infrastructure Maintenance Program, Health Sustainability Initiative and major capital projects. Regional Health Authorities develop new facilities, construct additions and upgrade existing health facilities with these funds.

General Government
The *General Government Expense by Function* includes property operations, leases, capital and accommodations projects, government-owned facilities maintenance, and infrastructure related non-cash items like amortization and disposal of nominal sums.

Expense By Core Business

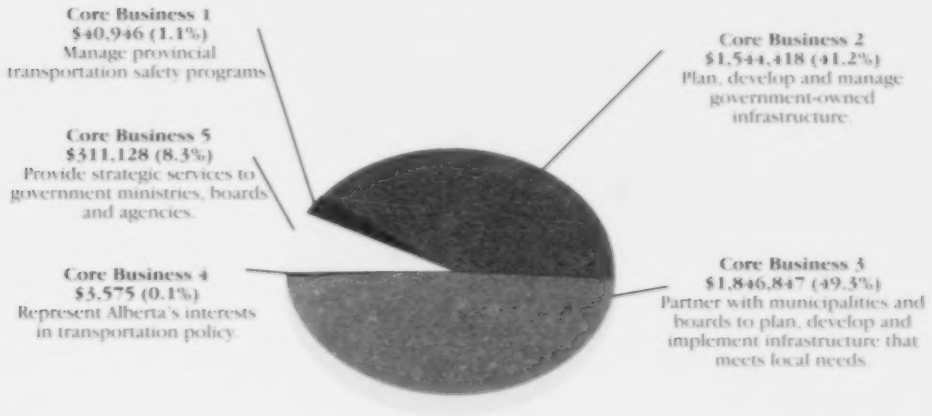
Initially, Alberta Infrastructure and Transportation received $3.3 billion in approved estimates. During the fiscal year, the target estimates were increased to $3.9 billion. The additional funding of $0.6 billion was primarily for energy rebates and health facilities infrastructure projects.

Approximately 91 per cent of the Ministry's actual operating expenditures and capital investment are related to Core Businesses 2 and 3. The 2004-05 actual results by Core Business are illustrated in the table below.

Financial Resources (in thousands)	
Planned Spending (Estimates)	3,277,021
Total Authorized	3,880,618
Actual Spending in 2004-05	3,746,914
Actual Spending in 2003-04	2,743,301
Human Resources	
Budgeted FTEs*	1,731
Actual FTEs Utilized	1,659

*FTEs – Full Time Equivalent Employees

Alberta Infrastructure and Transportation
2004-05 Expenditures by Core Business
(Operating Expense and Capital Investment Combined)
(000's)


Core Business 1
$40,946 (1.1%)
Manage provincial transportation safety programs
Core Business 2
$1,544,418 (41.2%)
Plan, develop and manage government-owned infrastructure.
Core Business 5
$311,128 (8.3%)
Provide strategic services to government ministries, boards and agencies.
Core Business 4
$3,575 (0.1%)
Represent Alberta's interests in transportation policy.
Core Business 3
$1,846,847 (49.3%)
Partner with municipalities and boards to plan, develop and implement infrastructure that meets local needs.

Alberta Infrastructure and Transportation received additional funding approvals during the 2004-05 fiscal year. The resulting net over-expenditure of $470 million was primarily due to:

- $297 million over-expenditure on health facilities due to one-time funding to move forward on improving access to health care through capital facility projects that add acute care beds and service capacity
- $275.8 million over-expenditure for energy rebates. Funding was not included in the original estimates as the forecasted price of gas at that time did not trigger a rebate
- $65.7 million under-expenditure in capital and accommodation projects predominately as a result of a decision for the province to own and finance the Calgary Courts Centre Project.

Discussion And Analysis Of Results

In 2004-05, Ministry spending supported five core businesses:

Core Business 1: Manage provincial transportation safety programs

The specific Ministry programs linked to this core business include: Transportation Safety Services, Transportation Safety Board, the Vehicle Inspection Station component of Other Road Infrastructure, and a portion of Ministry Support Services.

Financial Resources (in thousands)	Operating Expense	Capital Investment
Planned Spending (Estimates)	34,792	4,600
Total Authorized	35,734	4,023
Actual Spending in 2004-05	38,513	2,433
Actual Spending in 2003-04	35,980	3,713
Human Resources		
Budgeted FTEs	353	
Actual FTEs Utilized	345	

These programs demonstrate a commitment to enhancing road, driver and vehicle safety.

The total over-expenditure of approximately $1.6 million Actual spending relative to planned spending in 2004-05 is primarily due to:

- $2.0 million over-expenditure due to under-funding and one-time spending pressures for several initiatives under the Traffic Safety Initiative program and Graduated Driver Licensing implementation
- $0.4 million under-expenditure related to Vehicle Inspection Stations due to a decision not to proceed with some projects.

The overall $1.3 million increase in Actual spending during 2004-05 compared to 2003-04 is also attributed to:

- $1.9 million increase for one-time spending pressures for several initiatives under the Traffic Safety Initiative program, Graduated Driver Licensing implementation functions, and contribution toward the National Safety Code Program
- $0.6 million decrease for Vehicle Inspection Stations and Information Technology due to a decision not to proceed with some capital projects.

Goal 1: Improve Driver, Vehicle, Carrier, Road And Rail Safety

Results

Motor vehicle collisions have a significant impact on society because of demands on medical services, insurance, police and municipal services, legal and court costs, income, and productivity. Property damage also occurs and Albertans' quality of life is affected. Traffic safety is a government priority and Alberta Infrastructure and Transportation has taken the initiative to engage other ministries and key stakeholders toward development of a provincial plan to reduce motor vehicle collisions.

The Ministry commissioned retired RCMP Assistant Commissioner, Don McDermid, to conduct an independent review of the Ministry's traffic safety programs and provide recommendations. His report, *Saving Lives on Alberta's Roads*, recommended a Traffic Collision Fatality and Injury Reduction Strategy. Government accepted the report's nine recommendations, and founded a cross-ministry initiative to develop an Alberta Traffic Safety Plan. This plan, containing a broad range of initiatives focused on road users, roadways and motor vehicles, will support the injury prevention strategies of Alberta Health and Wellness, Alberta Human Resources and Employment, as well as Alberta Injury Control Strategy. The Alberta Traffic Safety Plan will assist in realizing national goals and targets concerning traffic safety, included in Road Safety Vision 2010, a national plan developed under the auspices of the Canadian Council of Motor Transport Administrators.

In the fall of 2004, the Ministry approved for release an Aging Driver Strategy, for inclusion in the Alberta Traffic Safety Plan, and late in fiscal 2004-05, a draft Alberta Traffic Safety Plan was completed. The plan will form the basis of provincial government's initiative to reduce traffic collision fatalities and injuries.

With a variety of vehicles on the roads, establishing regulations and standards designed to promote general traffic safety is complex. Many factors need to be considered especially for motorcycles. By design, motorcycles have less crash protection than other vehicles providing seat belts, airbags and "crumple zones." New designs have also increased the power and performance delivered by motorcycles. Accordingly, the Ministry commenced a comprehensive review of motorcycle licensing policy to ensure appropriate practices are in place to qualify operators.

Alberta Infrastructure and Transportation is committed to safety and continued to develop and refine programs intended to promote traffic safety among children and youth. These programs included partnering with Alberta Education to integrate Graduated Driver Licensing messages into the junior high-school curriculum, and implementing with the school busing industry the "Flashing Red Means Stop" public awareness campaign. A new "Geared to Go" workbook for coaching new drivers was published and won an award from the American Association of Motor Vehicle Administrators for consumer education excellence.

In collaboration with the Alberta Centre for Injury Control and Research, and Alberta Health and Wellness, the Ministry supports injury prevention initiatives. In the fall of 2004, the Ministry participated in a conference with representatives from government, medical, health, enforcement and petroleum sectors to discuss strategies and foster commitment toward injury prevention. The conference highlighted opportunities for organizations to engage in partnerships and share knowledge and tools supporting traffic safety.

Also to support injury prevention, Bill 39, the *Traffic Safety Amendment Act 2005* was drafted to enhance safety including that of construction and emergency workers on roadways. The *Traffic Safety Amendment Act* 2005 proposes a new offence for speeding past construction workers and defines speed limits for motorists passing emergency vehicles. To ensure only mechanically safe vehicles are registered for use on Alberta's roads, the Ministry has initiated a review and strengthening of the existing regulatory framework under the new *Traffic Safety Act*.

Also, amendments to the *Railway (Alberta) Act* now provide for dispute resolution through the Land Compensation Board and support is provided to local authorities seeking funding from Transport Canada's Crossing Improvement Program.

A pilot program to determine the effectiveness of safety audits within project planning and design phases continued. Under this pilot, safety audits are undertaken on projects of all sizes, such as the public-private partnership southeast Anthony Henday Drive, the Calgary Ring Road and the Fort McMurray highway expansion at Syncrude.

During the fiscal year, the Ministry worked with the Province of Quebec, the State of Texas, Transport Canada, the Canadian Sleep Institute and the US Federal Motor Carrier Safety Administration on recommended best practices and guidelines for fatigue management, a major issue facing commercial carriers.

Additional Accomplishments:

- Received a Premier's Award of Excellence-Bronze award for ongoing work in managing the on-road transport of dangerous goods.
- Coordinated and participated in the Traffic Safety Injury Prevention Conference held in October 2004.
- Held a "Walk the Talk About Back to School Safety" event in September 2004 to provide information on traffic safety tips and practices to elementary school children in Calgary.
- Implemented new cargo securement regulations for commercial vehicles February 1, 2005, detailing how to secure certain loads and what type of device to use. The regulations are consistent with other North American regulations and are intended to prevent accidents caused by shifting cargo.
- Completed second year of a three-year pilot to automate data collection of traffic safety information under the Traffic Related Electronic Data Strategy Project.
- Installed two new dynamic message signs at Red Deer along Queen Elizabeth II Highway. These changeable signs provide up-to-date information to travellers on traffic congestion, weather warnings, regulations, routing and road conditions to improve the flow of traffic.
- Conducted Intelligent Transportation Systems (ITS) studies for Queen Elizabeth II Highway/Edmonton-Calgary corridor, the ring roads around Edmonton and Calgary, various high-collision bridge locations, and for province-wide Road Weather Information System deployment. ITS integrates computer and communication technologies with management strategies to improve the safety, capacity and efficiency of the transportation system.

Measure 1.1: Mechanical Safety of Commercial Vehicles

Description

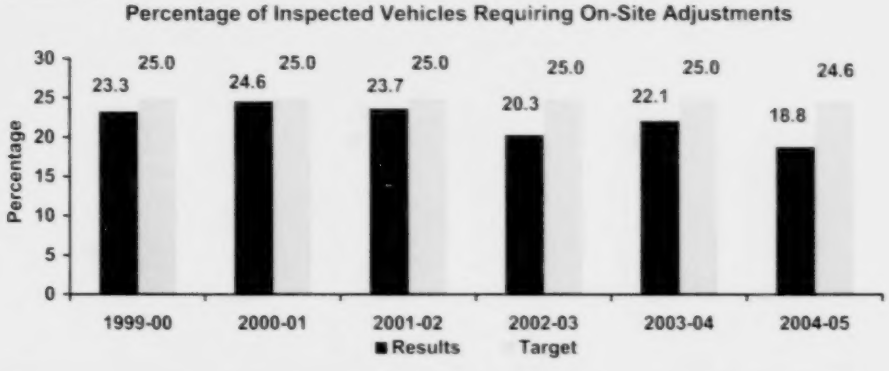
This measure represents the percentage of a random sample of commercial vehicles that have been rendered out-of-service when inspected at roadside checks by Ministry staff.

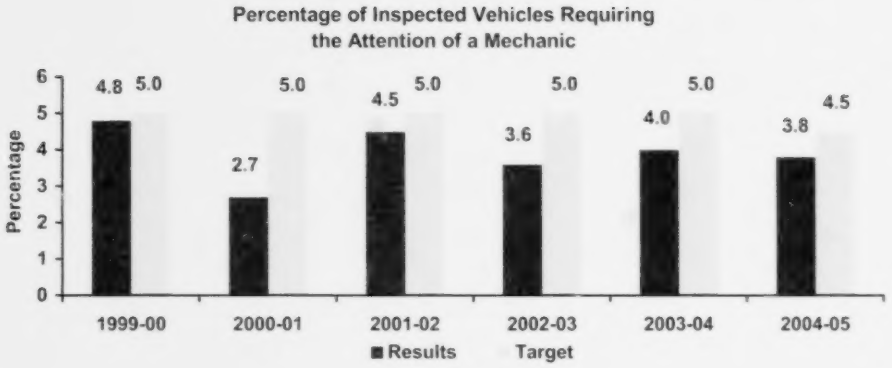
Rationale

In support of Core Business 1 "Manage transportation safety programs," and Goal 1 "Improve driver, vehicle, carrier, road and rail safety" outlined in Alberta Transportation's published 2004-07 Business Plan, the Ministry continues to work with the commercial carrier industry to enhance safety on Alberta's highways through ongoing education and enforcement programs. Programs such as "Partners in Compliance" allow commercial carriers with exemplary safety records to self-monitor. The program also provides incentives for commercial carriers to ensure their equipment and business operations meet all prescribed safety criteria. In keeping with the Commercial Vehicle Safety Alliance, all commercial vehicles over 4,500 kg are inspected throughout the year to ensure commercial vehicles traveling on Alberta's highways comply with all safety standards.

Growing inter-provincial and international trade combined with the need for quick, efficient transport has led to a significant increase in the number of trucks on Alberta's highways. In addition to domestic commercial road traffic, there was over $13 billion in international trade shipped by trucks to and from Alberta in 2004. As a result of this increased truck traffic, Alberta Infrastructure and Transportation has increased its capacity to undertake inspections and monitor commercial vehicles. The Ministry will continue to work with the commercial carrier industry on education and information initiatives aimed at commercial vehicle safety.

Results





About the Results

For this measure, percentages are calculated using inspection reports generated by Ministry officials completing the inspections. As stated, this measure includes only a sample of the total number of inspections done throughout the year. A total of 448 commercial vehicles were inspected, of which 84 required on-site adjustments (18.8 per cent) and 17 required the attention of a mechanic (3.8 per cent). The lower the number in this measure, the better the result. The Ministry target set out in Alberta Transportation's published 2004-07 Business Plan was to achieve "no more than 24.6 per cent of vehicles requiring on-site adjustments" and "no more than 4.5 per cent of vehicles that require the attention of a mechanic." Actual results were all within targets and show a decrease of 3.3 per cent and 0.2 per cent respectively over the previous year respectively for each of the measures. These exceeded the target by 5.8 per cent and 0.7 per cent respectively. The target was further reduced in Alberta Infrastructure and Transportation's 2005-08 Business Plan to 24.2 per cent, to demonstrate the Ministry's continued commitment toward improving commercial vehicle safety. The new established targets are lower than in any of the past five years.

Methodology and Data Sources

Inspections are undertaken using internationally recognized standards issued by the Commercial Vehicle Safety Alliance. In this sample, seven random inspections were conducted at each of 64 sites across Alberta between June and December 2004. The total number of vehicles inspected was 448.

Trends Impacting the Measure

Continued economic growth and the need to get goods to market means more commercial traffic on Alberta's highway system. Just-in-time marketing and congestion at west coast ports also contribute to suppliers shipping their goods by truck rather than using other modes such as rail. Public awareness of road safety issues continues to put pressure on government to continually improve its monitoring of commercial carrier traffic.

Measure 1.2: Involvement of Commercial Vehicles in Casualty Collisions

Alberta Infrastructure and Transportation is reviewing the national Road Safety Vision 2010 sub-target, which aims at a 20 per cent decrease in fatalities and serious injuries in collisions involving commercial vehicles. The objective is to develop a performance measure methodology, baseline and target that will be compatible with this national sub-target.

Measure 1.3: Seat Belt Usage

Description

This measure describes the percentage of seat belt use for light duty vehicles in rural and urban centres. A comparison with national results is also included.

Rationale

This goal supports Core Business 1, and Goal 1 from Alberta Transportation's published 2004-07 Business Plan. Alberta Infrastructure and Transportation continually promotes the use of seat belts as one of its many strategies to improve safety in Alberta. By tracking seat belt usage, compliance rates can be identified and further analysis conducted, to determine methods of improvement.

Results

Percentage of Vehicle Occupants Wearing Seat Belts

	1999[o]	2000	2001	2002	2003	2004**	Target 2004
Canada							
Rural & Urban Combined	90.1	90.1	89.9		87.4*		
Rural Only***				85.0		86.9	
Alberta							
Rural & Urban Combined	89.3	87.2	84.9		84.9		
Rural Only***				77.3		82.4	77.5

* Final results from Transport Canada 2002-03 survey.
** Survey results for 2002 and 2003 include front seat occupants only, while the survey conducted in 2004 includes all vehicle occupants. Moving forward, Transport Canada will be reporting based on all occupants.
*** Survey on rural only areas is conducted every other year beginning in 2002.

About the Results

The 2004 target for rural seat belt usage in Alberta Transportation's published 2004-07 Business Plan was 77.5 per cent, as compared to the 2004 result of 82.4 per cent for all vehicle occupants. This represents an increase of 5.1 percentage points from when the survey was last conducted in 2002.

Methodology and Data Sources

Transport Canada collects seat belt usage data through annual surveys on light duty vehicles, including passenger cars, passenger vans and light trucks in all provinces. Light duty vehicles do not include commercial vans or large trucks, farm equipment, or vehicles which are not equipped with and do not require seat belts (e.g. vintage automobiles). The 2004 survey was conducted at 252 sites across Canada. A total of 39,769 vehicles and 58,743 occupants were observed. The survey results are accurate within plus or minus 0.7 per cent.

Previous data indicated that the majority of motor vehicle fatalities in rural areas involved people who were not wearing seat belts, and that seat belt use was lower in rural areas of Canada than in urban centres. Therefore, it was determined that a survey of seat belt use in rural only areas of Canada would be conducted every second year. Rural areas are defined as towns with a population of fewer than 10,000 but more than 1,000 and that are located outside any census metropolitan area or census agglomeration[1]. The 2004 survey also includes those communities that have a population over 10,000 but are not classified as census agglomerations. It is expected that the results of this survey will lead to the development of measures and strategies to improve seat belt use in rural areas across Canada.

The Ministry's target is to reach compliance rates for both rural and urban Alberta of 95 per cent by 2010, matching Canada's national target despite the apparent declining trend in seat belt use.

Trends Impacting the Measure

The growing population and increasing number of licensed vehicle operators exerts pressure on Alberta to continue improving strategies advocating the benefits of wearing seat belts.

[1] A census metropolitan area or census agglomeration is a large urban area, together with adjacent urban and rural areas that have a high degree of economic and social integration with that urban area. They are defined around urban areas that have attained certain population thresholds: 100,000 for census metropolitan areas and 10,000 for census agglomerations.

Measure 1.4: Involvement of Drinking Drivers in Casualty Collisions

Description

This measure indicates the percentage of vehicle operators in casualty collisions (injury and fatal) in Alberta who were judged to have consumed alcohol before the collision.

Rationale

In support of Core Business 1 and Goal 1 from Alberta Transportation's published 2004-07 Business Plan, Alberta Infrastructure and Transportation continued its efforts to educate drivers about the dangers of drinking and driving. This measure indicates the percentage of drivers involved in casualty collisions who had consumed alcohol before the collision.

Results

About the Results

During the 2004 calendar year, there were a total of 24,389 drivers involved in casualty collisions in the Province of Alberta for whom a driver condition was specified on the collision report. Of these, 4.8 per cent of drivers who were involved in injury collisions were judged to have consumed alcohol prior to the collision. This is one-tenth of a percentage greater than the target of 4.7 per cent. In addition, 19.1 per cent of drivers in fatal collisions were judged to have consumed alcohol prior to the collision, below the target of 20.0 per cent. The figures have increased 0.2 per cent and decreased 3.2 per cent respectively over the prior year's results. As the severity of the collision increased, the involvement of alcohol dramatically increased.

To educate current and future drivers of the dangers of drinking and driving, Alberta Infrastructure and Transportation, with its many traffic safety partners, continues to undertake awareness, education and enforcement programs throughout the year. In addition, initiatives such as the Ignition Interlock Program and periodic check stops are intended to deter drinking and driving. From its inception in December 1999 to March 2005, the Alberta Administrative Licence Suspension program has resulted in 39,573 suspensions of Alberta drivers who were charged with having a breath or blood sample over 0.08 blood alcohol level* or refusing a breath or blood sample demand.

The Graduated Driver Licensing Program introduced on May 20, 2003, includes a zero alcohol tolerance provision, which continues while a driver is in either the learner or probationary category. There were 301 Alberta zero alcohol tolerance suspensions initiated between May 2003 and March 2005. This program also reinforces Alberta's position against impaired driving.

* The amount of alcohol in your blood stream is referred to as Blood Alcohol Concentration (BAC). It is recorded in milligrams of alcohol per 100 millilitres of blood, or milligrams per cent. A BAC of 0.08 represents a concentration of 80 milligrams of alcohol per 100 millilitres of blood.

Methodology and Data Sources

Data for this measure was taken from the Ministry's Alberta Collision Information System. The results for the measure are based on a calendar year. Drivers involved in casualty collisions resulting in either injury or fatality are included in the results. Driver condition data is compiled from collision reports completed by the attending law enforcement officer. Drinking drivers are those who, in the officer's judgment, have consumed alcohol prior to the collision. Driver condition includes "normal," "had been drinking," "alcohol impaired," "impaired by drugs" and "fatigued/ asleep." Driver condition was unspecified for 6,169 drivers involved in casualty collisions and is not included in the results.

Trends Impacting the Measure

Alberta's population has been steadily increasing due primarily to its growing economy. Traffic volumes have increased by 10.12 per cent from 2000 to 2004 as recorded by Alberta's 362 Automated Traffic Recorder sites throughout the province. In addition, the number of licensed drivers increased by 7.6 per cent since 2000.

Core Business 2: Plan, develop and manage government-owned infrastructure

Specific Ministry programs linked to this core business include Property Operations, Leases, Swan Hills Treatment Centre, Capital and Accommodation Projects, Government-Owned Facilities Maintenance, Site Environmental Services, Provincial Highway Systems, Strategic Economic Corridor Investment Initiative, Water Management Infrastructure, a portion of Program Support and Ministry Support Services, as well as non-cash items such as Amortization, Consumption of Inventory (Sand, Salt & Gravel) and Nominal Sum Disposals.

Financial Resources (in thousands)	Operating Expense	Capital Investment
Planned Spending (Estimates)	960,936	687,068
Total Authorized	951,477	677,129
Actual Spending in 2004-05	920,937	623,481
Actual Spending in 2003-04	885,626	436,151
Human Resources		
Budgeted FTEs	1,044	
Actual FTEs Utilized	995	

The total under-expenditure of $103.6 million relative to planned spending is primarily due to:

- $66.2 million under-expenditure resulting from a decision for the province to own and finance the Calgary Courts Centre. Provincial government approved the replacement of $126.9 million in Statutory Expense with $85.5 million in capital investment. This change also resulted in a $24.8 million lapse in the same project.
- $41.6 million under-expenditure in amortization attributed to $5 million to accommodate the transfer of Highway 814 to the Town of Beaumont, and the balance due to lower than anticipated amortization expenses.
- $24.3 million under-expenditure for the Strategic Economic Corridor Initiative resulted from construction delays, a portion of which will be carried forward to 2005-06, pending approval.
- $16 million over-expenditure in Provincial Highway Systems due to higher than normal expenditures for highway maintenance, and increased investment in highway rehabilitation.
- $9.3 million over-expenditure in Water Management Infrastructure attributed to accelerating work on the Carseland-Bow River Headworks Rehabilitation Project.

The overall net increase of $222.6 million in spending in 2004-05 compared to 2003-04 is primarily due to:

- $78 million increase in Capital and Accommodation Projects for the advancement of the Calgary Courts Centre, the Leduc Business Incubator facility, the Level 3 Biocontainment Laboratory and refurbishment of the Jubilee Auditoria
- $70.1 million increase in Provincial Highway Systems resulting from higher than normal expenditures for highway maintenance and increased highway rehabilitation investment in 2004-05
- $58.5 million increase in the Strategic Economic Corridor Investment Initiative attributed to additional funding approved for continuing work on the Rural and Urban North-South Trade Corridor, both Edmonton and Calgary Ring Road projects, and other Strategic Economic Corridor Projects, such as Cassils Road Interchange in Brooks
- $9.1 million increase in Water Management Infrastructure for accelerating work on the Carseland-Bow River Headworks Rehabilitation Project in 2004-05.

Goal 2: Improve The Safety, Efficiency And Effectiveness Of Provincial Highway Infrastructure

Results

Effective planning is key to maintaining and expanding safe, efficient and effective highway infrastructure. A significant aspect of planning is addressing deferred maintenance. In March 2004, a maintenance backlog of $926 million was identified for roads. Based on current budgets for 2005-06, it is projected that the maintenance backlog will increase by $130 million to a total of $1 billion.

Based on current information, the Ministry has identified and validated three-year, five-year and 10-year capital funding requirements for all government-owned and supported infrastructure. The programming process selects projects based on their existing condition.

Supporting the need for current information, the Transportation Infrastructure Management System (TIMS) is an advanced knowledge management system. TIMS provides valuable information for decision-making long-range planning and integrates data, information processing tools and advanced spatial technology. A major component of TIMS is the Bridge Information System, implemented during the fiscal year. This application contains inventory and inspection data for bridges and related structures and entities. The Bridge Information System provides an efficient, reliable and comprehensive source of information for Ministry staff, contractors and consultants.

Timely road condition information assists all road users to plan their trips and safely reach their destination. The Ministry entered a long-term contract to have 75 Road Weather Information System stations built in three years and operated over 10 years. An agreement was signed with Transport Canada to cost-share the acquisition and installation of 19 stations.

In fiscal 2004-05, Alberta Infrastructure and Transportation completed development of the final phase of the Transportation Routing and Vehicle Information System project. This project will incorporate an automated route analysis module for provincial highways and municipal roads. This system allows commercial carriers to quickly and easily submit Oversize and Overweight Permit Applications and monitor the status of applications and permits. The Ministry continued to work with Transport Canada and other jurisdictions on dangerous goods transportation standards through participation in federal-provincial discussions on requirements for regulations and enforcement.

Work undertaken in 2004-05 included 10 Freeway Corridor Management Studies. One study (Queen Elizabeth II Highway previously Highway 2, Fort Macleod to South of Calgary) was completed and endorsed by the rural municipalities. Another study (Queen Elizabeth II Highway, Carstairs to Bowden) is nearing completion. The remaining eight studies are in various stages of development and are expected to conclude in the fall of 2005.

Construction of a joint-use Vehicle Inspection Station is underway west of Golden, British Columbia. The station will provide one-stop inspection services to industry by conducting comprehensive inspections on site. Information will be shared by British Columbia and Alberta with both provinces benefiting from efficiencies gained, such as uniform information, and operating and capital cost savings.

A public-private partnership agreement to design, build, finance and operate the southeast portion of Edmonton's Anthony Henday Drive was signed with a private service provider. This section of the Edmonton Ring Road connects Queen Elizabeth II Highway to Highway 216. The agreement includes a 30-year warranty and does not allow tolls or advertising to generate revenue. The private service provider will build the road to full-freeway specifications without stop lights.

In addition to the Ministry's financial contribution to the public-private partnership, the Government of Canada will contribute funding through the Canada Strategic Infrastructure Fund. Benefits to taxpayers include protection from the risks of cost overruns associated with construction delays, weather delays, design risk and construction defects. Other benefits of the partnership include earlier completion of another portion of the ring road, fixed capital costs and protection of the Ministry from inflation. Construction is scheduled to be complete by late 2007.

Construction commenced on the southwest portion of the Anthony Henday Drive project in which four bridges plus a portion of the paving were completed in 2004-05. This section of the Edmonton Ring Road connects Queen Elizabeth II Highway to Highway 16.

The Ministry spent $1.6 million on maintenance and management of provincial parks, road and bridge infrastructure. The work consisted of gravelling and re-building roads, along with minor maintenance of bridges.

To promote tourism in the province, a web site was launched and brochures distributed providing information on the "Sign Up Alberta" tourism initiative. A process was implemented to administer the program in terms of managing applications, collecting fees and manufacturing signs for tourist attractions. During the first year of the program, nearly all government-owned parks, recreation areas and attractions received new signage.

Additional Accomplishments:

- Partnered with the Cities of Calgary and Edmonton, the Alberta Motor Association and Transport Canada on a pilot project to provide traveller information on an independent web site. The site went online with information on traffic delays and changing road weather conditions on major Alberta roads, such as Queen Elizabeth II Highway (previously Highway 2) between Calgary and Edmonton. The pilot project is scheduled to operate from January to September 2005.
- Established a new Pavement Management System to predict preservation needs on the provincial highway network in accordance with existing guidelines and to increase the availability of information within the Ministry.
- Implemented a road maintenance strategy to reduce costs by installing an Automated Vehicle Location System on 72 highway maintenance contractor snowploughs. Installation on remaining vehicles will be phased in over two years. The Automated Vehicle Location System will assist contractors to efficiently manage salt and sand usage during winter maintenance.
- Reconstructed and/or overlaid approximately 580 kilometres of roadway.

Measure 2.1: Physical Condition of Provincial Highways

Description

The condition measure defines the percentage of the paved highway network that is in *good*, *fair* and *poor* condition. The International Roughness Index is used to measure the roughness of roads and to categorize overall physical condition. The segments in *poor* and *fair* condition are those that require attention now or in the near future.

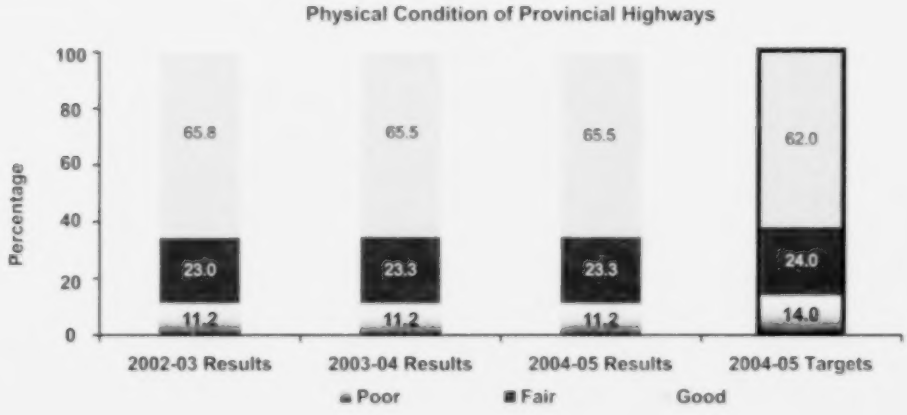
The measures used for condition are consistent with the core measures outlined in the Capital Planning Initiative.

Rationale

Physical condition ties to Core Business 2 "Manage the provincial highway network" and to Goal 2 "Improve the safety, efficiency and effectiveness of provincial highway infrastructure" from Alberta Transportation's published 2004-07 Business Plan. It links to Government of Alberta Business Plan Goal 12, "Alberta will have effective and sustainable government-owned and supported infrastructure."

The condition measure was established to ensure the quality of the paved highway network is sustainable and that business, pleasure and commercial traffic can travel safely and comfortably. This is important in maintaining present levels of economic development and supporting future growth.

Results



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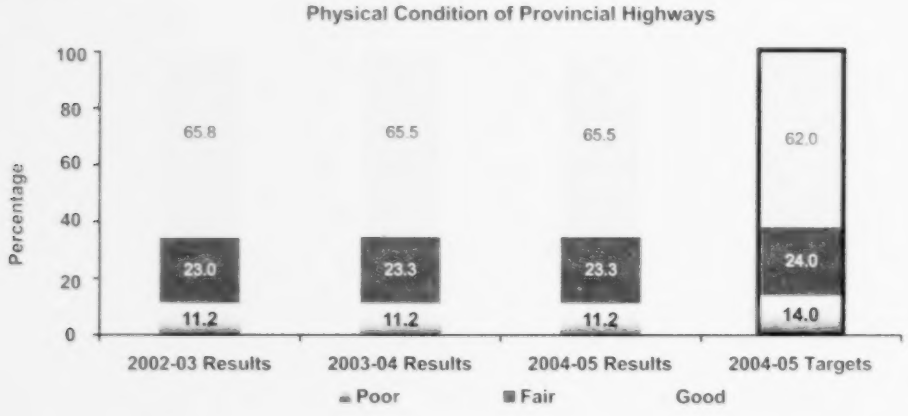


About the Results

The results for 2004-05 indicate that the percentages of paved highways in *good*, *fair* and *poor* condition are 65.5 per cent, 23.3 per cent and 11.2 per cent respectively. This compares to business plan targets of 62.0 per cent, 24.0 per cent and 14.0 per cent. The percentage *good* was 3.5 per cent better than predicted, while the percentage *fair* was 0.7 per cent worse. The percentage *poor* was lower than expected by 2.8 per cent. These results are due to the fact that construction and particularly maintenance activities corrected a greater amount of *poor* roadway than was forecast. Approximately 580 kilometres of roadway reconstruction and/or overlay occurred in 2004-05.

Methodology and Data Sources

The International Roughness Index (IRI) measures the roughness of roads and is used as an indicator of the overall physical condition of provincial highways.

The identification of roads as *good*, *fair* or *poor* relies on standards established as a result of a comprehensive research study conducted on the Ministry's behalf by the University of Calgary in 2002 of condition and other performance measures. The study's recommendations resulted in establishing condition trigger values. Trigger values are defined as the boundary between categories of *good-fair* and *fair-poor*, and are set using a proactive life cycle analysis approach. The values are categorized by road classification and are based on one-kilometre segments.

Alberta Infrastructure and Transportation Standards

IRI Rating	110 km/h Highways	< 110 km/h Highways
Good	< 1.5 m/km	< 1.5 m/km
Fair	1.5 – 1.89 m/km	1.5 – 2.09 m/km
Poor	≥ 1.9 m/km	≥ 2.1 m/km

After existing *good*, *fair* or *poor* segments are identified, anticipated work activities and pavement deterioration rates are incorporated to determine future performance targets.

The IRI rating for all highways is obtained through data collected annually by consultants on behalf of the Ministry. Using laser-based equipment, the consultant reports the average IRI value over a 50-metre segment of the highway. This detailed data is further averaged over one-kilometre sections to provide an assessment of condition over practical lengths.

In 2004, one consulting firm collected the IRI values for all highways in the provincial highway network where it was practical to do so. Sections where construction was occurring were not collected, but assumed values of IRI were used. In a very small number of sections, data collection was not completed for other reasons. In these instances, an assumed deterioration rate was applied to the previous years' values.

Trends Impacting the Measure

Approximately 7,000 kilometres of Alberta's paved provincial highways are approaching an age where rehabilitation/reconstruction must be considered. The volume of paved surface constructed in the early 1980s indicates that approximately 1,800 kilometres of highway should be resurfaced each year.

Measure 2.2: Utilization of Provincial Highways

Description

The utilization measure defines the percentage of the highway network that is equal to, or better than, a targeted Level of Service. If a highway meets or exceeds this targeted level, it is being utilized as planned. The Level of Service targeted for a provincial highway is indicated as "C" (see Methodology and Data Sources next page for definition).

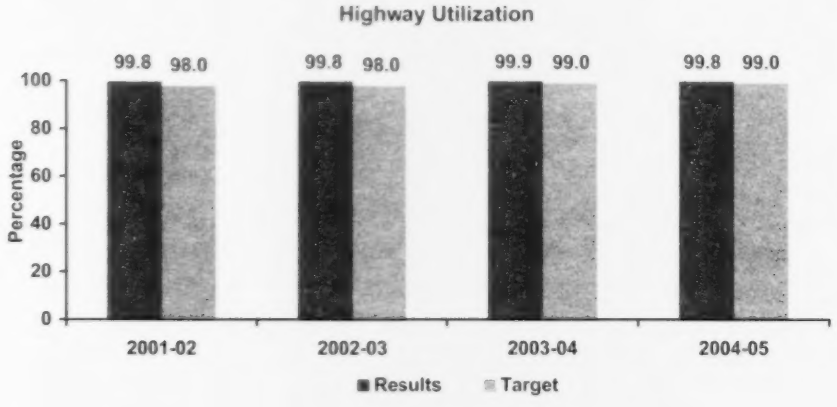
The measure used for utilization is consistent with the core measure outlined in the Capital Planning Initiative.

Rationale

Utilization is linked to Core Business 2 and Goal 2 from Alberta Transportation's published 2004-07 Business Plan. It links to Government of Alberta Business Plan Goal 12.

The utilization measure was established to ensure that people and goods continue to move freely on provincial highways. The measure supports future economic growth and provides a planning tool for determining when future capital expenditure is required. Alberta Infrastructure and Transportation strives to manage the utilization of provincial highways through effective planning and programming of future highway upgrading.

Results



About the Results

The 2004-05 target has been met as anticipated. The results are consistent with previous year's results.

Methodology and Data Sources

Level of Service (LOS) is an international measure based on traffic's ability to move freely. The LOS calculations are based on the methodology outlined by the United States Transportation Research Board Highway Capacity Manual. Traffic capacity was determined for each highway segment from Alberta Infrastructure and Transportation's physical inventory. Traffic demand was calculated using traffic volume data (for peak-hour volumes) collected along the highway network throughout the province. Intersection counts were also performed to determine the types of vehicles using each section of highway, as this is a factor in the LOS calculations. The traffic data is collected continuously and reported annually by consultants. Levels of service are defined as follows:

LOS A. Traffic is practically unimpeded

LOS B. Ability to manoeuvre within traffic is only slightly restricted

LOS C. Freedom to manoeuvre within traffic is noticeably restricted

LOS D. Freedom to manoeuvre is severely limited

LOS E. Boundary between levels D and E describes operation at capacity
There are virtually no usable gaps in traffic

LOS F. There is a breakdown of traffic flow
This is characterized by stop and go conditions

Trends Impacting the Measure

Alberta is experiencing substantial population and economic growth year after year. This growth leads to more people traveling Alberta's highways. As the number of people using our highway system increases, ensuring that goods and people move freely is a priority. Both businesses and individual Albertans expect goods to reach markets as quickly as possible. By monitoring the traffic demand on highways, Alberta Infrastructure and Transportation can better plan for future highway upgrading.

Measure 2.3: Functional Adequacy of Provincial Highways

Description

This measure indicates the percentage of provincial highways that meet target criteria for functional adequacy. The target criteria relate to surface width, horizontal curve geometrics, surface type and weight restrictions (road bans). A provincial highway is functionally adequate if the roadway meets acceptable width standards, is free of road bans, has horizontal curves that allow normal travel speeds and has a paved surface where required.

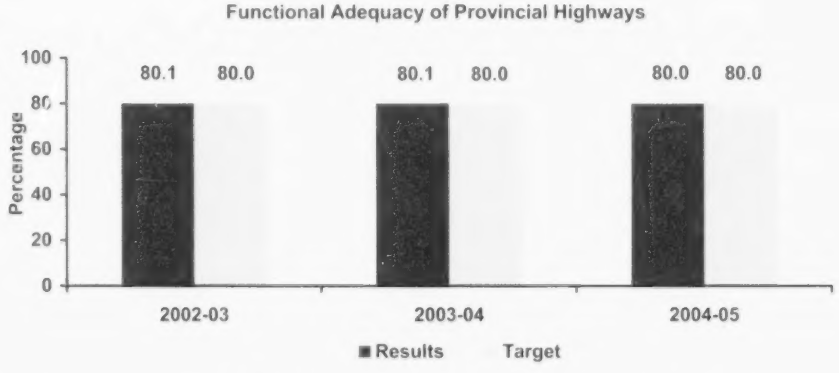
The measure for functional adequacy is consistent with the core measure outlined in the Capital Planning Initiative.

Rationale

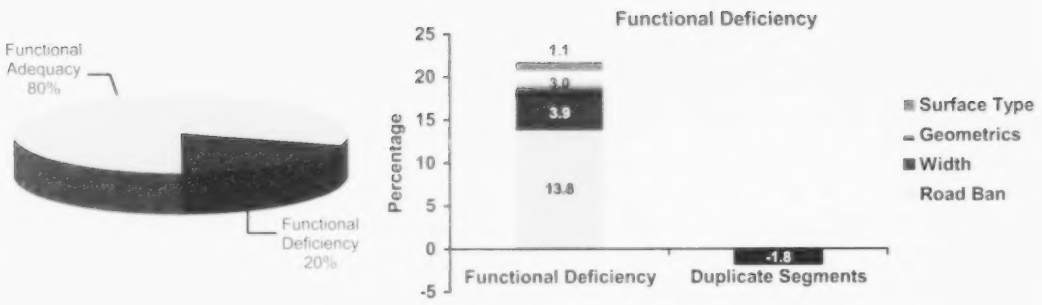
Functional adequacy is linked to Core Business 2 and Goal 2 from Alberta Transportation's published 2004-07 Business Plan. It supports Government of Alberta's Business Plan Goal 12.

The functional adequacy measure was established to ensure that the existing highway network is upgraded where necessary to meet standards so that the public can travel safely. It also has a component that considers truck traffic restrictions on provincial highways.

Results



The measure was modified in the 2002-03 fiscal year to incorporate road surface type, which was added as a factor, and the methods of calculation were refined. Therefore, results prior to 2002-03 are not shown.



Functional deficiencies for 2003-04 compared to 2004-05 are as follows:

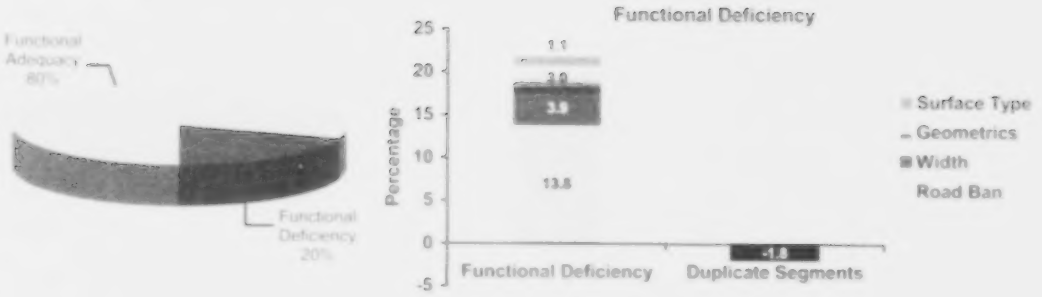
2003-04		2004-05	
Road Bans	13.6%	Road Bans	13.8%
Width	4.0%	Width	3.9%
Geometrics	3.0%	Geometrics	3.0%
Surface Type	1.3%	Surface Type	1.1%
Total	**21.9%**	**Total**	**21.8%**

The total percentage of highways with deficiencies was less than the sum of the above individual deficiencies. This is because certain segments have deficiencies in more than one area. For 2003-04 results, the difference between the sum of deficiencies and the total deficiency was 2.0 per cent. For 2004-05 results, this value was 1.8 per cent.

Road bans have increased by 0.2 per cent from 2003-04 to 2004-05. Construction in 2003 resulted in the elimination of 108 kilometres of road bans. This was offset by an increase in road bans for other reasons, resulting in a net increase. Included within other reasons for the road bans was the addition of new highways with a staged pavement and, based on their condition, some gravel roads would have been banned.

Width deficiencies decreased slightly from 4.0 per cent to 3.9 per cent (approximately 47 kilometres) primarily because of construction activities during 2004-05 and traffic volume changes.

Geometric deficiencies did not change the 2004-05 results, even though a new data source and methodology was applied (see Methodology and Data Sources section).



Functional deficiencies for 2003-04 compared to 2004-05 are as follows:

2003-04		2004-05	
Road Bans	13.6%	Road Bans	13.8%
Width	4.0%	Width	3.9%
Geometrics	3.0%	Geometrics	3.0%
Surface Type	1.3%	Surface Type	1.1%
Total	**21.9%**	**Total**	**21.8%**

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Surface type deficiencies decreased by 0.2 per cent, or approximately 71 kilometres. Of the total kilometres, new construction resulted in a decrease of 17 kilometres, with the remaining reduction due to changes in traffic volumes.

The total of individual component deficiencies was reduced by 0.1 per cent. Width and surface type deficiencies decreased by 0.1 per cent and 0.2 per cent respectively. This was offset by an increase in road ban deficiencies.

Methodology and Data Sources

Functional adequacy is calculated by preparing an inventory of the various segments of highway that have deficiencies for any of the above factors, based on Alberta Infrastructure and Transportation's standards and practices. If a section of highway has a deficiency due to any of the factors, it is considered functionally inadequate. The percentage of the highway network that meets target criteria for functional adequacy is the total length of roadway minus the total length of roadway with a deficiency, divided by the total length of roadway, multiplied by 100. The methodology and data sources for each of the component factors are discussed below.

Width Deficiencies

Data on existing road widths is obtained from the Ministry's Pavement Management System. The acceptable road width for each highway is determined using the 3R/4R chapter (resurfacing, rehabilitation, restoration, and reconstruction) of the *Alberta Infrastructure and Transportation's Highway Geometric Design Guide*. Actual width and acceptable width are then compared to determine whether a deficiency exists.

A deficiency analysis was conducted for every kilometre of paved provincial highway.

Geometric Deficiencies

Geometric deficiencies are based on horizontal curve geometrics, using alignment data collected by consultants. This data is compared to requirements in the *Alberta Infrastructure and Transportation's Highway Geometric Design Guide* to arrive at deficiencies. The existing published results are based on data collected in 2004-05. The data used has been updated from data used in previous year calculations.

The results indicated no change. Some geometric deficiencies improved over those of the previous data collection. Data omissions and discrepancies in the older data negated these gains.

A deficiency analysis was conducted for every kilometre of paved provincial highway.

Surface Type Deficiencies

A traffic volume of 400 vehicles per day is used to determine the need for a paved surface, and subsequently to identify deficiencies where the criterion is not met. Consultants collected traffic volume data and existing surface types are derived from the Ministry's internal Pavement Management System.

This deficiency analysis was done for every kilometre of gravelled provincial highway.

Road Bans

Road ban information for provincial highways is obtained using internal data sources. The Transport Engineering Branch monitors the need for road bans on the provincial highway system and issues them. As road bans are issued they are entered into an internal database, which is updated as the status of road bans change for particular highways.

The analysis is done for every kilometre of provincial highway.

Trends Impacting the Measure

Rapid population growth throughout Alberta has meant more development occurring and urban areas expanding. Roads that carry increased traffic because they are located near, or provide access to, new developments may no longer be rated functionally adequate because the road is too narrow for the increased traffic levels. This leads to safety concerns. Traffic growth will also require that some gravel roadways be paved.

Driver behaviour on roadways can lead to circumstances where changes in vehicle speeds are necessary. In the event of those circumstances, it is important to consider reconstructing curves to require a reduction of travel speed to improve overall road safety.

Increased truck traffic on the highway network has led to a demand for fewer weight restrictions (road bans) on certain roadways.

Measure 2.4: Construction Progress on the North-South Trade Corridor

Description

This measure is the percentage (urban and rural) of the North-South Trade Corridor that is twinned and open to travel. The corridor extends from Coutts at the Alberta-United States border to the British Columbia border west of Grande Prairie, connecting Alberta to the Alaska Highway. It consists of 1,175 kilometres of highway, of which nearly 100 kilometres are within city limits.

Rationale

This measure supports Core Business 2 and Goal 2 from Alberta Transportation's published 2004-07 Business Plan. It also links to Government of Alberta Business Plan Goal 12.

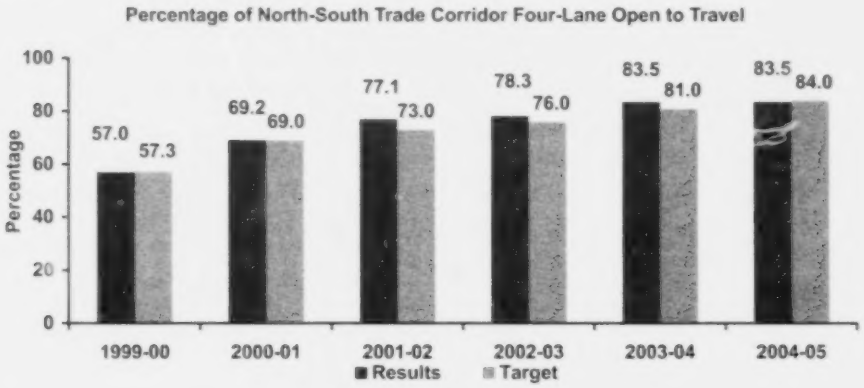
The North-South Trade Corridor forms part of the CANAMEX Corridor (CANada/AMerica/MEXico) linking the three countries and stretching from Anchorage, Alaska to Mexico City, Mexico. The goals of the CANAMEX Corridor are to improve the north-south flow of goods and people; increase transport productivity and reduce transport costs; promote a seamless and efficient inter-modal transport system; and reduce administrative and enforcement costs through harmonized regulations.

Alberta's North-South Trade Corridor is a key component of the CANAMEX Corridor and is vital to the efficient movement of goods across the Canada-United States border at Coutts. In addition to domestic commercial traffic, over $13 billion in international trade was shipped by truck to and from Alberta in 2004. Alberta is Western Canada's largest economy in terms of exports to the United States. In 2004, an estimated $59 billion worth of goods, which accounted for 88 per cent of total provincial exports, was exported to the United States. As well, imports totalling $9.6 billion came from the United States.

On a national scale, trade with the United States and Mexico continues to grow. In 2004 trade in excess of $573 billion (about $1.57 billion per day) crossed the Canada-United States border. To continue to enhance Alberta's economic competitiveness, the trucking industry must be able to respond to the demands of the growing economy. Continued economic viability depends largely on Alberta's ability to respond to demands generated by the opening of new markets, just-in-time manufacturing and retailing, and e-business.

Continued twinning of the North-South Trade Corridor will enhance the traveling public's safety while reducing costs for the trucking industry through time savings. Measuring completion of North-South Trade Corridor twinning demonstrates the continued development of major trade routes.

Results



About the Results

Alberta Infrastructure and Transportation has completed twinning 83.5 per cent of the North-South Trade Corridor, 0.5 per cent below its target of 84 per cent. Although targeted work was substantially complete, adverse weather in 2004 prohibited overall completion and opening the section to traffic. It is anticipated that the section will be open to traffic by the spring/summer of 2005.

The following map provides a high-level view of the corridor, and denotes the sections that are yet to be completed.

Methodology and Data Sources

The measure is based on construction project data. The percentage is calculated by totalling the number of kilometres twinned and open to travel versus the total kilometres of the corridor (1,175 kilometres).

Trends Impacting the Measure

As noted previously adverse weather conditions can, and do, play a role in how much construction can take place in a given year.

NORTHWEST TERRITORIES
BRITISH COLUMBIA
SASKATCHEWAN
MONTANA
GRANDE PRAIRIE
VALLEYVIEW
WHITECOURT
SPRUCE GROVE
EDMONTON
LEDUC
RED DEER
AIRDRIE
CALGARY
FORT MACLEOD
LETHBRIDGE
North - South Trade Corridor
Work proposed after 2004 - 05
CITIES NOT OF EQUAL SCALE
GRANDE PRAIRIE
EDMONTON
CALGARY
LETHBRIDGE
Proposed
Completed

Measure 2.5: Ring Roads in Edmonton and Calgary

Description

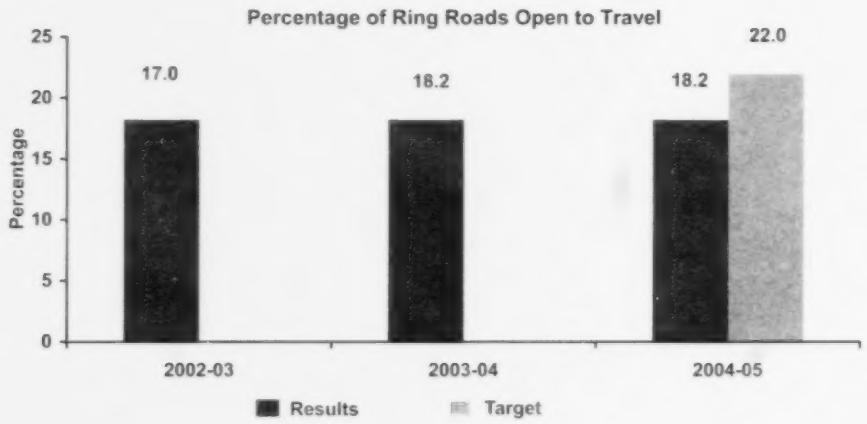
This measure indicates the percentage of ring roads in Edmonton and Calgary open to multi-lane travel. The total corridor length consists of approximately 99 kilometres in Calgary and 80 kilometres in Edmonton.

Rationale

This measure supports Core Business 2 and Goal 2 from Alberta Transportation's published 2004-07 Business Plan. It also links to Government of Alberta Business Plan Goal 12.

Development of ring roads around the two major cities is critical for efficient and effective transportation systems in these metropolitan areas and fundamental to the province's continued economic development.

Results



About the Results

Results were not achieved because plans assumed a partial opening of the southwest portion of Anthony Henday Drive. A revised strategy concluded that such an opening would be of marginal benefit and the entire southwest leg should open in 2006.

Methodology and Data Sources

The measure is based on construction project data. The percentage is calculated by totalling the number of kilometres multi-laned and opened to travel versus the total kilometres along the corridor (179 kilometres).

Trends Impacting the Measure

Sustained high oil prices and market conditions such as labour shortages could contribute to increased costs for material and labour. Increased economic and population growth in the Edmonton-Calgary Corridor have raised expectations for alternate routes sooner to avoid traffic congestion and enable goods to quickly reach markets.

Alternative methods of financing, such as public-private partnerships, could enable construction of facilities like ring roads in major metropolitan centres to be expedited. The southeast portion of the Edmonton Ring Road is being implemented using a public-private partnership and is scheduled for completion in 2007.

Goal 3: Ensure Safe And Effective Water Management Infrastructure On Behalf Of Alberta Environment

Results

Alberta Infrastructure and Transportation in conjunction with Alberta Environment is committed to ensuring Albertans have safe and effective water management infrastructure. Sensible short and long-term planning requires good environmental practices incorporated into safe water management. To clarify expectations, revised roles and responsibilities were finalized and distributed to water project managers, consultants and environmental staff. To support timely compliance with environmental regulations, an environmental regulatory approval framework was developed. Training in the Environmental Management System, regulatory framework, and the Ministry's environmental manuals and standards was also provided.

Partnering with Alberta Environment, preliminary work totalling $8.5 million, commenced on the design and/or construction of 36 water management projects throughout the province. In addition to these projects, construction to rehabilitate the Carseland/Bow River Headworks Project continued. A 19 per cent completion target was set for this fiscal year. As a result of a mid-year budget reallocation, 25 per cent of rehabilitation was completed for this period.

A preliminary assessment/review of Northern Erosion Control Program projects was completed. Of the eligible projects, 47 have been identified for rehabilitation over a multi-year schedule. A three-year rehabilitation program was developed in consultation with Alberta Environment and a detailed assessment intended to refine the condition, scope, easement and regulatory requirements of projects in year one was completed.

Additional Accomplishments:

- Completed three new design manuals for safe water management infrastructure.
- Formed a partnership with the private sector to develop new technology for remediation of salt-contaminated sites.
- Initiated the Environmental Construction Operations Plan to foster harmonization between water and highway projects.

Measure 3.1: Progress on Completion of Major Water Management Construction Projects

Description

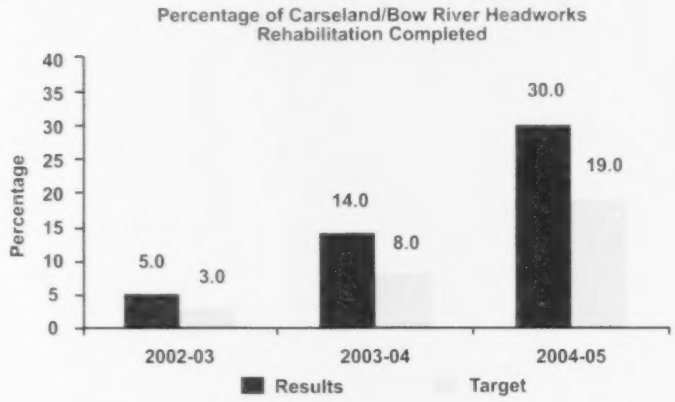
This measure reflects the construction progress on major water management projects. Related activities include design, land acquisition and obtaining regulatory approvals, which precede the construction phase of each project and are not included in the overall cost of construction. These related activities are not reflected in this measure.

Rationale

This measure supports Core Business 2 and Goal 3 from Alberta Transportation's published 2004-07 Business Plan. It also links to Government of Alberta Business Plan Goal 12.

By measuring the construction progress on major water management projects, Alberta Infrastructure and Transportation is able to demonstrate its ability to successfully complete these important water management projects which helps to ensure the province is able to meet its water management objectives.

Results



About the Results

Alberta Infrastructure and Transportation works with Alberta Environment to provide quality water management facilities and a secure water supply for municipal, domestic, agriculture, industry, recreation and other purposes. Such projects include dams and reservoirs, and canals. Some of the works include construction of flood management and erosion control measures such as dykes and bank armouring.

The percentage of completion is determined by dividing the actual construction costs incurred by the total estimated construction costs for the project.

The target for the Carseland-Bow River Headworks project was exceeded due to the availability of funding allowing advancement of construction contracts.

Methodology and Data Sources

This measure is monitored throughout the year by utilizing expenditure forecasts. Final results for the measure are based on the actual construction costs for the fiscal year, which are obtained from the Ministry's Contract Management System (CMS) and the provincial government's financial system IMAGIS. Completion estimates for these projects were developed by Alberta Infrastructure and Transportation staff.

Trends Impacting the Measure

The primary trends that could impact the outcome of this particular measure include increasing construction costs, weather, and the ability of the contractor to meet the project schedule. Such trends are monitored very closely and adjustments made as needed. For the reporting year, none of these trends have affected the projects within this measure.

Goal 4: In Partnership With All Ministries, Effectively Plan, Retrofit And Manage Government-Owned And Leased Facilities To Support The Delivery Of Government Programs

Results

Alberta Infrastructure and Transportation assists all ministries to deliver programs as efficiently as possible by planning and managing government-owned and leased facilities. Support provided by the Ministry includes construction of new facilities, major facility upgrades, minor renovations and leasing space. Provincial government requests for accommodation plans are typically a result of changing programs or renovation needs. In all, 240 projects were delivered to support provincial government in 2004-05.

In support of program delivery for Alberta Sustainable Resource Development's firefighting and warehousing operation, construction of a heliport and warehouse at the Fort McMurray Airport commenced. A construction upgrade also began at the Forest Fire Depot in Edmonton.

Construction of a Level 3 Biocontainment Laboratory in Edmonton commenced for Alberta Agriculture, Food and Rural Development. The lab will have the capacity to test for Bovine Spongiform Encephalopathy (BSE), Transmittable Spongiform Encephalopathy (TSE) and other risk agents. Construction of an Agrivalue Processing Plant in Leduc continued with completion scheduled for next fiscal year. The plant will house new agriculture-based processing businesses and related business development programs.

Centennial projects underway to celebrate Alberta's 100th birthday included the restoration of Lougheed House; interpretive exhibits for the Sam Livingston Fish Hatchery; and refurbishment of the Northern and Southern Alberta Jubilee Auditoria. A major project initiated on behalf of Alberta Community Development is complete refurbishment of the Royal Alberta Museum (Provincial Museum). The museum will almost double in size, and parking will be moved underground. Other centennial projects initiated were in Alberta parks, including the Lesser Slave Lake Bird Observatory; Cypress Hills Provincial Park Interpretive Centre; Writing-on-Stone new Interpretive Centre; and the Dinosaur Provincial Park - Royal Tyrrell Museum and Field Station expansion.

Ongoing collaboration with other ministries to satisfy the health and safety needs of occupants and visitors in provincial government facilities is included in the Ministry's mandate. Approximately $250,000 was spent in providing or upgrading barrier free access to government-owned facilities to ensure access to services and programs for all users.

A security expert from Alberta Solicitor General was seconded to lead an analysis of security needs and develop and implement a security strategy for provincial government facilities. Further work was undertaken to provide guidance and planning assistance to all ministries and agencies in the development or amendment and implementation of facility emergency plans. The Ministry organized a provincial symposium on facility emergency planning for all ministries and stakeholder organizations. The Ministry's business resumption plan was finalized to ensure service delivery could resume quickly and efficiently following a disruption.

Protecting the environment and limiting the Ministry's impact on it are continually considered in managing provincial government-owned and leased facilities. An Environmental Management System was implemented and will be regularly reviewed to incorporate new techniques and technologies.

Environmental initiatives undertaken included returning the Sheep River back to its original course and away from the Turner Valley Gas Plant. This is also a centennial project and will prevent further erosion that may contribute to the release of toxins into the water. Additional steps were taken at the Turner Valley Gas Plant to remediate sulphur-contaminated soil and monitor hydrocarbon contamination at the site. As part of a comprehensive and long-term remediation strategy, numerous other remediation projects were completed at provincial sites, such as highway maintenance yards.

The Ministry enlisted the services of the Alberta Research Council to develop a Building Mould Assessment and Management Program to assess health threats, implement best practices in remediation and support communication on this issue. This initiative will result in enhanced risk management identification and mitigation processes. Conscientious environmental practices include annual testing of the incinerator at the Swan Hills Treatment Centre. This testing consistently indicates performance that significantly exceeds required regulations for the disposal of hazardous materials.

Green power contracts commenced in 2005. These contracts now deliver 90 per cent of provincial government's power requirements for provincial government buildings. With the use of renewable energy resources, these contracts will reduce emissions while maintaining building operating costs well below the industry average.

The Ministry evaluated proposals for alternative financing, such as public-private partnerships that may provide capital infrastructure to taxpayers at the lowest cost. As a result of previous year proposals, the Ministry initiated construction of the Calgary Courts Centre, a new courthouse to accommodate the Provincial Court and Court of Queen's Bench. The Government of Alberta will fund the $300 million project, while a private group of companies will design, build and operate the facility as a public-private partnership. The facility will consolidate all provincial courts in Calgary into a single site and improve public accessibility to the courts and associated legal services. The project includes new security, information system and communications technologies and allowance for future space expansion.

Additional Accomplishments:

- Signed an agreement with the CKUA Radio Foundation allowing the Foundation to purchase and assume all operations of the Alberta Block building from the provincial government
- Shared with Alberta Community Development a bronze Premier's Award of Excellence for the creation of the Wild Alberta Gallery at the Royal Alberta Museum (Provincial Museum)
- Provided project management services for the upgrade of the Canmore Nordic Centre to international sporting event standards The Centre will host the 2005 Cross-Country Skiing World Cup
- Commenced replacing cell doors at the Edmonton Remand Centre to enhance security within the facility.

Measure 4.1: Physical Condition of Government-Owned and Operated Facilities

Description

This measure is the percentage of replacement value of government-owned and operated facilities over 1,000 gross square metres that were rated in *good*, *fair* or *poor* physical condition. Under the Government of Alberta's Capital Planning Initiative, definitions for physical condition are as follows:

Good - Adequate for intended use and expected to provide continued service life with average maintenance.

Fair - Aging components are nearing the end of their life cycle and require additional expenditures for renewal or refurbishing.

Poor - Upgrading is required to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

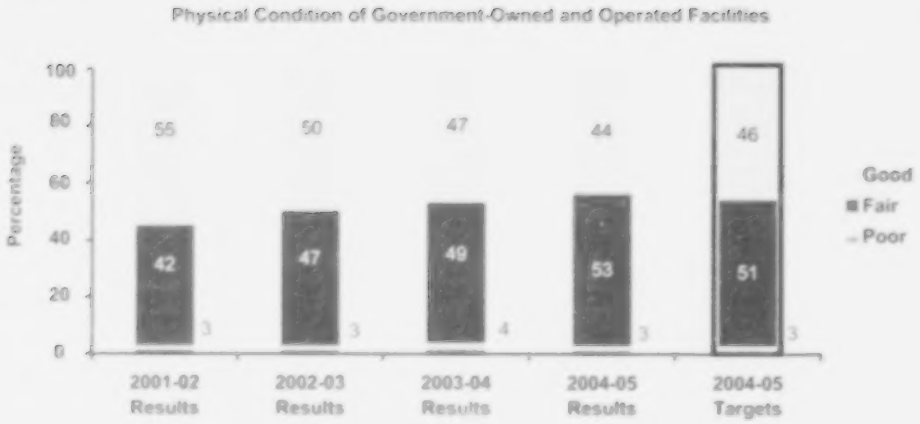
Rationale

This measure is linked to Core Business 2 "Manage government facility and land needs" and Goal 3 "In partnership with all ministries, effectively plan, retrofit, and manage government-owned and leased facilities to support the delivery of government programs" from Alberta Infrastructure's published 2004-07 Business Plan. It also links to Government of Alberta Business Plan Goal 12.

The measure rates the condition of buildings and is therefore an indicator of how well building infrastructure is being maintained. The percentages are calculated by taking the square metres of all facilities in *good*, *fair* or *poor* condition and dividing each by the total replacement value of all buildings.

The condition of each building was based on an assessment of a building's five major systems (structural, envelope, interior, mechanical and electrical). The evaluator selected a condition rating (from 1 to 6) for each system by matching the overall condition with a set of definitions. A weighted average of the five system ratings produced the overall building rating. Ratings one, two and three were rated as *poor*, four was rated as *fair*, and five and six were rated as *good*.

Results



About the Results

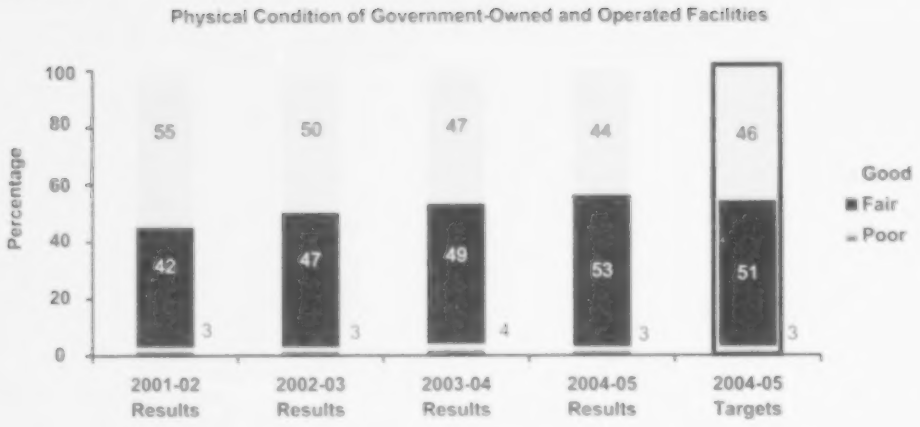
The 44 per cent of facilities rated in *good* condition was two per cent below the target. The percentage in *fair* condition exceeded the target by two per cent. These variances are not considered significant and are within the measure's margin for accuracy.

This year, building condition was also measured using the five-year Facility Condition Index (FCI). This is part of the process to convert all owned and supported building condition measures to a common methodology. The FCI is the percentage of the total estimated value of the maintenance and renewal requirement over the next five years divided by the building replacement cost.

The six-point measure is somewhat subjective and the evaluators tended to rate older buildings as being in *fair* condition. The FCI is less subjective as ratings are not assigned, rather specific building components in need of replacement or repair over the next five years are identified and the cost estimated. The total cost of the work is the basis for the rating.

Under the Facility Condition Index methodology, some facilities moved from a *good* to *fair* rating. Most moved from *fair* to *good*. If the FCI was applied to rate the buildings evaluated during 2004-05, the percentage of space would be 89 per cent *good* and 11 per cent *fair*. If these ratings were blended with rates under the six-point system, the overall ratings would be 53 per cent *good* and 44 per cent *fair*. The FCI methodology can only be applied to buildings evaluated in the 2004-05 year. The buildings evaluated in prior years lacked sufficient data to convert to the FCI rating.

Results



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The FCI methodology will continue to be refined to ensure that actual conditions are being reflected. Both methodologies will be used in 2005-06 and the Ministry will:

- review the FCI measure to ensure its methodology is sound and that results are consistent for two years
- examine the break points from *good* to *fair* and *fair* to *poor* to ensure they correspond to the definitions
- consider other ways the FCI, or value of deferred maintenance, can be applied to measuring physical condition and performance.

Methodology and Data Sources

The data was collected through condition assessments by Ministry staff and consultants over a five-year cycle, with one-fifth of the owned buildings evaluated each year. Facilities owned by the provincial government but leased or operated by others were excluded from this measure. The data collected is stored in an electronic database using a program called Real Estate Capital Asset Priority Planning (RECAPP). RECAPP is produced and maintained by a private sector vendor. The software and its associated methodology are used by other jurisdictions in education, corporate, public works and property management settings. A Ministry-wide interpretation of FCI values has been adopted. If the building has an FCI of less than 15 per cent, it is in *good* condition; if it is greater than 15 and equal to, or less than 40 per cent, it is in *fair* condition; and if the FCI exceeds 40 per cent, it is in *poor* condition.

Trends Impacting the Measure

With over 80 per cent of the buildings being more than 20 years old, it will continue to be a challenge to balance the need to maintain existing aging infrastructure while addressing the requirements for new infrastructure to best serve Albertans.

Measure 4.2: Utilization of Government-Owned and Operated Facilities

Description

The utilization measure is the percentage of Ministry owned and operated facilities larger than 1,000 gross square metres rated within targeted capacity. The ratio of space allocated for required programs compared to the total usable space determines the utilization rate. A utilization rate between 85 and 100 per cent is defined as being within targeted capacity.

Rationale

The utilization measure supports Core Business 2 and Goal 3 of Alberta Infrastructure's published 2004-07 Business Plan. It also links to Government of Alberta Business Plan Goal 12. The measure identifies facilities requiring redevelopment, additional planning or disposition, and assists in the monitoring space requirement fluctuations.

Results

About the Results

Utilization of Ministry owned and operated facilities for 2004-05 was 91.9 per cent, which exceeded the target of 89.0 per cent. Several factors resulted in this increase. During 2004-05, a warehouse in Fort McMurray was completed and added to the inventory. A facility in Oyen was removed from the inventory after it was re-measured and found to be under the 1,000 square metre threshold. Additionally, four more properties were sold than was forecast. Specifically, the projected sale of Michener Park site in Red Deer (consisting of 17 buildings) was anticipated to occur in 2004-05. Confirmation of program requirements has delayed the potential sale until 2008-09. The demolition or sale of property removes the building's

area from the total area for all buildings, and increases the percentage of buildings within targeted capacity. Also, reorganization of ministries and hiring additional staff increased utilization rates for a number of buildings throughout the province.

Methodology and Data Sources

Based on individual building occupancy rates, all eligible facilities over 1,000 gross square metres were rated, and the total square metres or inventory was calculated based on the eligible facilities. To calculate the percentage of utilization, the total square metres of all facilities within targeted capacity was divided by the total square metres of the total inventory.

An internal Alberta Infrastructure and Transportation database houses Ministry-owned and operated facilities data, including space used by quasi-government organizations that provide programs and services to communities and the public. The measure excludes buildings sold in the reporting year, and government-owned facilities on 25 to 40 year leases where the Ministry of Alberta Infrastructure and Transportation was not responsible for maintenance, including Ministry-owned health facilities operated by health regions and actively used as health facilities.

Trends Impacting the Measure

As Alberta's economic growth continues, the pressure and demand placed on existing facilities increases. If the demand persists and increases are required for programs and staff in government facilities, the utilization rate will move closer to complete occupation. Expansion needs will outgrow the current inventory's ability to maintain a comfortable working environment and lead to overcrowding.

Measure 4.3: Functional Adequacy of Government-Owned and Operated Facilities

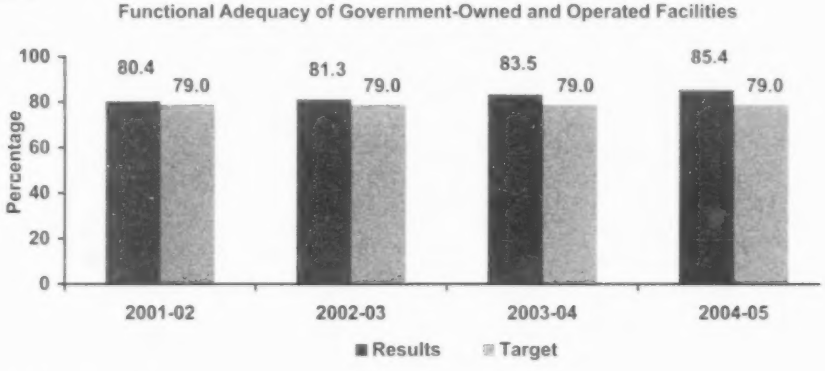
Description

The purpose of this measure is to determine and report on how well government facilities are meeting the program delivery needs of the users. Only Ministry-owned and operated facilities larger than 1,000 gross square metres are included in determining the overall percentage of facilities that are providing acceptable functional service.

Rationale

This measure links to Core Business 2 and Goal 3 of Alberta Infrastructure's published 2004-07 Business Plan. It also links to Government of Alberta Business Plan Goal 12. Functional adequacy assists provincial government to plan and provide appropriate space for program delivery in provincial government facilities in response to the changing needs of Albertans.

Results



About the Results

In 2004-05, functional adequacy was 85.4 per cent, as compared to the target of 79.0 per cent. The higher than anticipated results were primarily due to the deletion of a facility with an area less than 1,000 square metres and the addition of a new facility in Fort McMurray. In addition, an entire site that had been projected to sell in 2004-05 was reforecast for sale in 2008-09 due to confirmation of program requirements. Also in 2004-05, four properties previously included in the inventory were sold and another was removed as it fell below the 1,000 square metre threshold. These changes contributed to a decrease in total inventory. The removal of a building from the inventory increases the percentage of the total inventory that is functionally adequate.

Methodology and Data Sources

The total square metres of each facility is assessed according to its adequacy. The square metres of all facilities rated as acceptable is then divided by the square metres of the entire eligible inventory to calculate the overall percentage reported in this measure.

An acceptable or unacceptable rating for each facility is based on assessments by Alberta Infrastructure and Transportation staff. The assessment is done in consultation with other ministries across provincial government who are either the residents or primary users of a particular building. The assessment considers general criteria, including but not limited to site location and access; building and site circulation and services; program location and layout; indoor environment; building services; and its overall capacity to accommodate and support program delivery. Discretion is used by staff from Alberta Infrastructure and Transportation and other ministries in determining the final rating, based on their knowledge of the facility and whether or not it can meet current and planned program delivery needs. If a facility meets these needs, it is rated as providing "acceptable" functional service to residents and its clients.

Alberta Infrastructure and Transportation provided the data for the measure from an internal database of all Ministry owned and operated facilities larger than 1,000 gross square metres.

Trends Impacting the Measure

Alberta's growing economy has increased the need for enhanced program delivery. This impacts the functionality of existing space and continued growth will result in the use of less functional space not designed for a specific type of occupation, for example meeting rooms. Decisions related to acquiring additional space through leasing or construction will be affected by significant increases in lease costs, especially in larger centres, and higher construction costs throughout the province.

Measure 4.4: Operating Cost per Square Metre of Rentable Area for Government-Owned and Operated Facilities

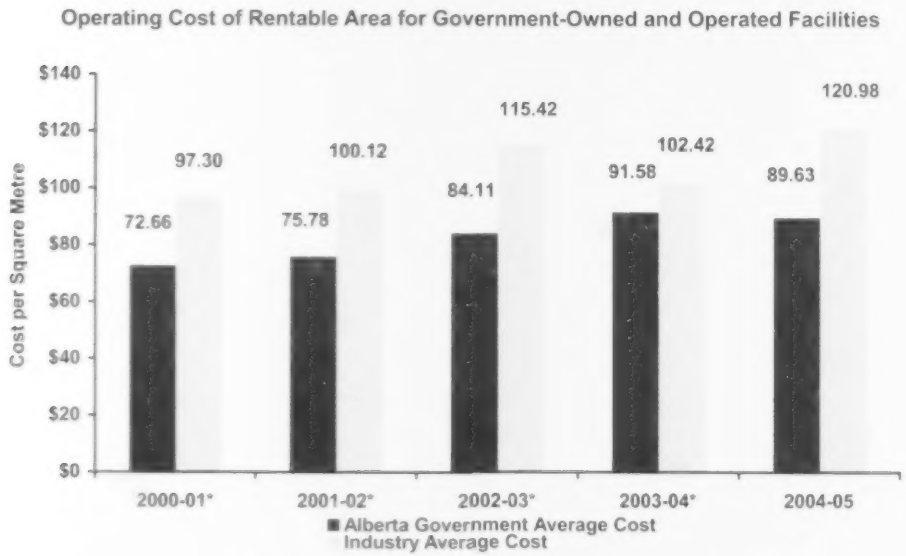
Description

This measure compares the average annual operating cost of rentable square metres of office space in government-owned facilities operated by Alberta Infrastructure and Transportation with the Alberta industry average. The Ministry's target is to keep the average operating cost per rentable square metre of office space below that of the industry average.

Rationale

This measure ties to Core Business 2 and Goal 5 "Maintain effective environmental stewardship of government facilities and lands" from Alberta Infrastructure's published 2004-07 Business Plan. It also links to Government of Alberta Business Plan Goal 12. The Ministry is responsible for effective management of all owned facilities to support the delivery of provincial government programs. This includes incorporating industry best practices to control costs and maintain the value of our building infrastructure. Cost comparisons against industry averages, in total and for specific maintenance functions, allow the Ministry to identify and respond to areas of concern and identify opportunities for cost-effective improvements.

Results



* Industry Average Restated for Comparability

About the Results

Results indicate the average operating cost of government-owned and operated office buildings as $89.63/m² during fiscal year 2004-05. The industry average comparable result is from a benchmark methodology survey conducted in 2004 by an independent facility management consulting company. This independent survey used government and private sector buildings in Alberta to generate the industry average.

Although there were inflationary increases in caretaking, building repair and maintenance costs, the average total cost per square metre decreased slightly from the previous year's average. This was primarily due to a reduction in utilities costs during the year, including electricity rates and energy performance contract payments.

The Ministry continues to keep operating costs significantly lower than the industry average.

Methodology and Data Sources

The measure is based on the methodology used in a benchmark survey of facilities management practices in 36 office buildings across the country. The survey determines the average cost of building operations using established criteria. Areas excluded from the rentable space calculation include the basement, interior parking, elevator/mechanical shafts and external walls. Expenses included in the calculation are administration, caretaking, grounds, security/safety, routine building maintenance, utilities, insurance and grants in place of taxes.

This methodology is used to determine the average operating cost per square metre for 73 Ministry-owned office buildings using data from various systems*. The result is compared to the Alberta industry average for the building included in the benchmark survey.

Trends Impacting the Measure

Inflationary pressures in the industry directly affect this measure, such as utility and contract cost increases and other costs required to maintain aging infrastructure.

* Sources include: Alberta Government Integrated Management Information System, Facilities and Business Information System, Building and Land Information Management System, Grants in Place of Taxes.

Measure 4.5: Energy Consumption per Square Metre in Government-Owned and Operated Facilities

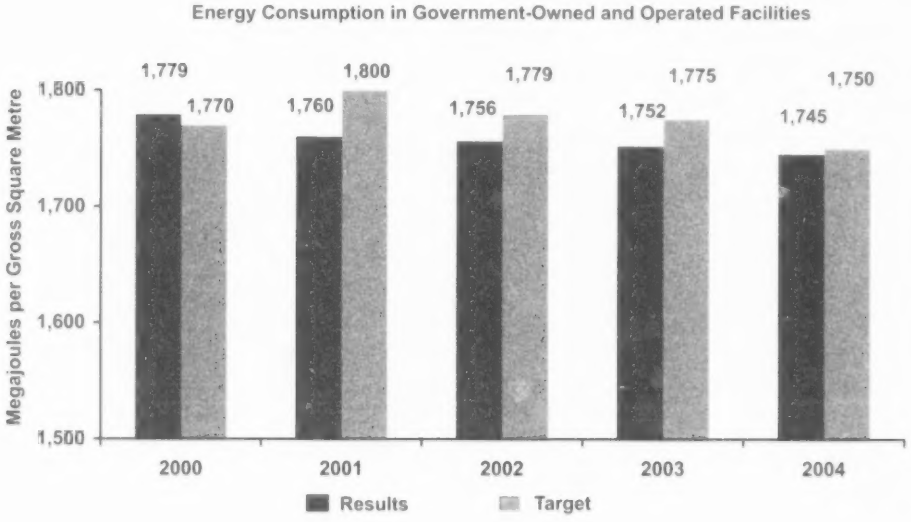
Description

Alberta Infrastructure and Transportation monitors the annual energy efficiency (natural gas and electricity) of government-owned buildings operated by Alberta Infrastructure and Transportation.

Rationale

This measure ties to Core Business 2 and Goal 5 from Alberta Infrastructure's published 2004-07 Business Plan. It also links to Government of Alberta Business Plan Goal 12. The Ministry is responsible for effectively managing all owned facilities to support the delivery of government programs. This includes monitoring energy usage on an ongoing basis and identifying and implementing energy saving initiatives to achieve the cost and environmental benefits associated with reduced energy consumption.

Results



About the Results

Reduction in consumption levels below the target of 1,750 megajoules per square metre is attributed to implementation of an energy performance contract projects and other energy saving initiatives. These include conversion to more efficient pumps, motors and furnaces, improved lighting and controls, and additional insulation.

Energy consumption has stabilized and is expected to remain around the same level if the current inventory of government-owned facilities operated by Alberta Infrastructure and Transportation remains relatively unchanged.

Methodology and Data Sources

The measure indicates how effectively the Ministry is managing energy and associated costs in government-owned buildings using a simple formula: the total annual energy consumption for all buildings divided by the buildings' total gross square metres.

Energy consumption data for over 1,000 gas and electricity sites is provided by various retailers during the year and entered into the Energy Consumption Reporting System. The data is validated, converted from gigajoules and kilowatt-hours into megajoules, and totalled for all buildings. The gas total is adjusted using monthly actual and normal degree data from Environment Canada to compensate for weather variations. To calculate the measure, the total weather-adjusted consumption is divided by the total square metres based on building areas reported by the Building and Land Information Management System.

Trends Impacting the Measure

This measure is affected by several factors that may vary annually including changes to the inventory of owned buildings, changes to building usage and occupancy levels, and climate variations. As potential energy saving measures are identified and implemented, there will be fewer opportunities to improve energy performance through conservation measures alone.

Core Business 3: Partner with municipalities and boards to plan, develop and implement infrastructure that meets local needs

The specific Ministry programs linked to this core business include: School Facilities Operations, School Facilities Infrastructure, Post-Secondary Facilities Infrastructure, Health Facilities Infrastructure, Seniors Lodges, Centennial Legacy Grants, Municipal Support Programs, Community Airports, and a portion of Program Support and Ministry Support Services.

Financial Resources (in thousands)	Operating Expense	Capital Investment
Planned Spending (Estimates)	1,556,124	450
Total Authorized	1,856,299	371
Actual Spending in 2004-05	1,846,654	215
Actual Spending in 2003-04	1,111,457	6,379
Human Resources		
Budgeted FTEs	215	
Actual FTEs Utilized	200	

The $290.3 million over-expenditure relative to planned spending is primarily due to:

- $297 million over-expenditure in Health Facilities Infrastructure resulting from the provision of one-time funding for specific capital projects, partially offset by a $13.4 million internal reallocation to fund high priority projects in other areas of the Ministry
- $4.5 million lapse for supportive living spaces that was transferred to Alberta Seniors and Community Supports.

The overall net increase of $729 million in spending in 2004-05 compared to 2003-04 is attributed to:

- $423.2 million increase in Health Facilities Infrastructure due to one-time funding for specific capital projects, such as the expansion and redevelopment of the Foothills Medical Centre
- $90.1 million increase in Post-Secondary Facilities Infrastructure due to increased funding for new projects commencing in 2004-05, as well as a one-time payment to the Southern Alberta Institute of Technology (SAIT) to help cover costs from the expansion of its campus and the renovation of Heritage Hall
- $112.1 million increase in School Facilities Infrastructure for projects such as school replacements in Onoway and Drayton Valley, and new schools in Calgary
- $108.9 million increase in Municipal Partnerships for higher grant payments resulting from increases in population and fuel deliveries, and the acceleration of grant payments made to municipalities prior to 2003-04, as well those of 2004-05.

Goal 5: Support Municipal Transportation And Safe Water/ Wastewater Infrastructure

Cities and other municipalities are pressured to maintain existing infrastructure while addressing road, transit and airport growth. In keeping with the 1999 Premier's Task Force on Infrastructure recommendations, an agreement with all municipalities was reached to provide appropriate grant formulas. Edmonton and Calgary receive financial support based on five cents per litre of "road use" gasoline and diesel fuel delivered in their cities. Other cities receive Basic Capital Grants based on $60 per capita and may be eligible for Cities Special Transportation Grants. The cities determine the priorities for projects within their boundaries.

For fuel deliveries in 2004-05, the Ministry provided grants of approximately $90 million to Calgary and $74 million to Edmonton. The cities applied the grants to high priority road construction, interchange construction and light rail transit extension projects.

The Ministry provided approximately $47 million through the annual $60 per capita grant to other cities to assist with high priority road and transit projects. The cities allocated the funds to a variety of eligible road construction and rehabilitation projects, and transit bus purchases.

Towns, villages, summer villages and eligible hamlets are also eligible to receive $60 per capita for lasting capital street improvements and replacement of underground water and sewer lines through Streets Improvement Program grants. In 2004-05, approximately $35.8 million was allocated for capital street projects and related water main and sewer main upgrading projects through this program. The per-capita allocation is based on the previous year's official population.

In 2003-04, the Ministry developed and implemented a five-year City Special Transportation Grant to address high priority road, transit and airport expansion projects. Eligible cities can apply for grant funding of up to $3 million per project. Applications were ranked on a province-wide basis with only the highest priority projects being funded. The balance of the initial four-year program is fully subscribed. A backlog of unfunded projects persists.

The Resource Roads Program, to assist rural municipalities, towns, and villages affected by resource and new industry based traffic, allocated $18.5 million of cost-shared funding assistance to municipalities. In 2004-05, 18 projects were approved.

The Ministry provided approximately $46.5 million under the 2004-05 Rural Transportation Grant to assist rural municipalities in financing improvements to their local road systems. Funding levels continued to include the supplementary funding recommended by the 1999 Premier's Task Force on Infrastructure, and the commitment to provide paved access to all Métis settlements. The program also provided funding for local road bridges.

The Community Airport Program delivered $3.9 million in funding assistance to seven community-owned, public-use airports, for rehabilitation of runways, aprons and taxiways.

The Alberta Municipal Water/Wastewater Partnership provided $31.8 million for municipal water supply/treatment and wastewater treatment/disposal projects in over 20 locations. Major projects approved for funding included water treatment plant upgrades at Conklin, Nobleford and Lacombe; expansion at the Whitecourt water treatment plant; and new construction of a water treatment facility at Lac La Biche. The Water for Life Initiative under the Alberta Municipal Water/Wastewater Partnership, approved additional funding for new regional water lines at Clairmont, Coalhurst, Falher, Lacombe, Plamondon and Sexsmith.

Under the Infrastructure Canada-Alberta Program (ICAP), the province contributed $27 million toward "green" and other municipal infrastructure for projects such as water pipelines, energy efficiency upgrades and road paving. New water projects were also approved under the program including the Three Hills west water supply pipeline in Kneehill County, the Valleyview rural water co-operative pipeline in Municipal District of Greenview, the rural water supply in Starland County and the treated water reservoir in St. Paul.

Additional Accomplishments:

- Prepared the Edmonton Ring Road Highway Transfer Agreement which, when signed, will transfer the existing ring road segments to the province when southwest Anthony Henday Drive is complete.
- Introduced the new *Highways Development Protection Act* which will replace the *Public Highways Development Act* and the *City Transportation Act*, to modernize and consolidate the legislation.
- Developed in conjunction with other ministries and stakeholders, the Alberta Municipal Infrastructure Program for commencement in 2005-06. This program will provide $3 billion in financial assistance for capital infrastructure projects over a five-year period. The program will include projects such as municipal roads, bridges, public transit vehicles and facilities, water and wastewater systems and facilities, storm drainage systems and facilities, and infrastructure management system software. Other capital projects including cultural and recreational facilities, community environmental and energy systems and facilities, solid waste management systems and facilities, municipal buildings and other municipal physical infrastructure may also be approved under the program.
- Worked with the federal government and other ministries to develop program delivery details for the New Deal for Cities and Communities, being initiated in the 2005-06 fiscal year. This program provides a portion of the federal gasoline tax to the province. Projects in support of cleaner air and water, and the reduction of greenhouse gases will be financed from this transfer of funds.

Measure 5.1: Municipal Client Satisfaction

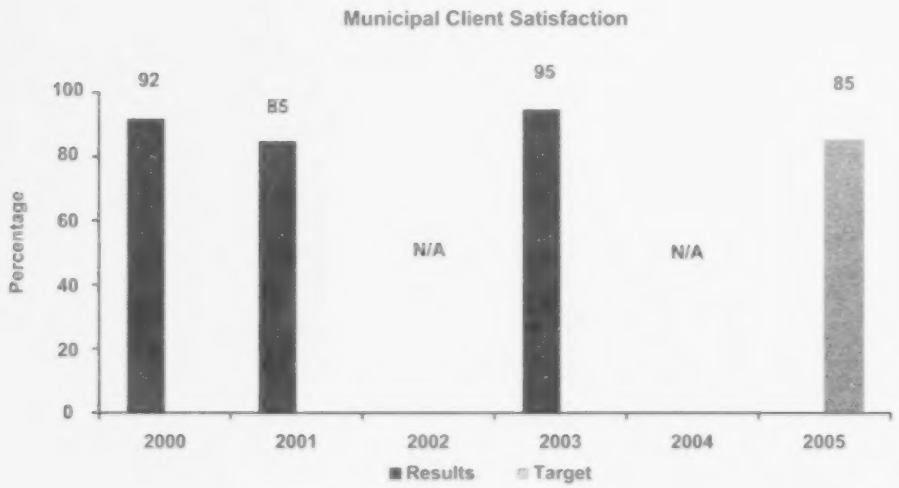
Description

Alberta Infrastructure and Transportation strives to foster an organization where clients consistently experience positive outcomes when interacting with the Ministry. To measure the satisfaction of clients with the services provided by the Ministry, Alberta Infrastructure and Transportation conducts a municipal client satisfaction survey every two years. The latest client satisfaction survey was conducted for the 2003 calendar year. An external consultant was engaged to undertake this survey, thereby ensuring the confidentiality of individual results.

Rationale

This measure links to Core Business 5 "Partner with municipalities" and Goal 5 "Support municipal transportation and safe water/wastewater infrastructure" of Alberta Transportation's published 2004-07 Business Plan, and provides an overall indication of our municipal clients' satisfaction with the services provided by Ministry staff. It also links to Government of Alberta Business Plan Goal 12. Results and information derived from the survey are considered in the Ministry's planning cycle to address and improve the satisfaction of clients in the future. The Ministry's commitment to providing quality service to clients is illustrated by the overall results.

Results



Note: As the survey is conducted every two years, a 2004 target is not provided.

About the Results

The client satisfaction measure was refined from the last fiscal year to monitor the satisfaction of municipal clients with the overall quality of service. Respondents were asked to rate their satisfaction when answering the question, "Looking back to 2003, how satisfied were you with overall quality of service?" when thinking of the management of municipal grant programs. In 2003, municipal client satisfaction was 95 per cent, which is a 10 per cent increase over the 2001 result of 85 per cent. On average, the results are accurate within plus or minus 5.3 per cent, 19 times out of 20. Because this was the first year that municipal client satisfaction is being measured, there was no target for 2004. Results of previous years surveys were restated to provide consistency for comparison of past results.

To allow sufficient time for the Ministry to develop and implement strategies to effectively deal with the results of the client satisfaction survey, the survey is conducted every second calendar year with the next survey planned for January 2006 to report on the 2005 calendar year. The target for the next survey has been restated from 85 per cent in Alberta Transportation's published 2004-07 Business Plan to 92 per cent in light of the actual results over three prior surveys. The restated target is included in Alberta Infrastructure and Transportation's 2005-08 Business Plan.

Methodology and Data Sources

In previous years, client satisfaction was measured according to a balanced six-point scale where one represents very unsatisfied and six represents very satisfied. The measure is now reported as the percentage of municipal clients satisfied with overall quality of service.

The 2004 survey was delivered by mail to 434 municipal clients with later telephone follow-up. Municipal clients are defined as organizations that have interacted with Ministry staff regarding municipal grant programs in the 2003 calendar year and primarily include municipalities and towns. Municipal grant programs include administration of grant applications and payments, as well as clarification of policy and eligibility criteria. There were a total of 192 surveys completed and returned for a response rate of 44 per cent. Forty-nine municipal client contacts were excluded from the analysis due to incorrect contact information, surveys being returned as undeliverable, and/or clients indicating that they did not have contact with the Ministry in 2003.

The respondents were asked to rate the Municipal Grant Programs Service Area on eight key service areas, for:

- Clarity of written materials
- Ease of access to information
- Ease of access to services
- Consistency of services
- Timeliness of service delivery
- Proficiency of staff
- Courtesy of staff
- Overall quality of services

Trends Impacting the Measure

Client satisfaction ratings can be impacted by the last interaction a client may have had with the Ministry. Alberta Infrastructure and Transportation will continue to make every effort to ensure clients are apprised of program, policy and legislative changes in a proactive manner.

In the past few years, Alberta Infrastructure and Transportation has assumed additional responsibilities, extended programs or undertaken new initiatives that have changed the composition of its client base. The changes in client base may also influence survey results.

GOAL 6: PROVIDE LEADERSHIP AND FUNDING FOR THE DEVELOPMENT AND PRESERVATION OF HEALTH FACILITIES, SCHOOLS, POST-SECONDARY INSTITUTIONS AND SENIORS' LODGES

Alberta Infrastructure and Transportation partners with other ministries to optimize the best use of taxpayer investment in health and school facilities, post-secondary institutions and seniors' lodges through funding and capital planning. In the 2004-07 Capital Plan, the Alberta Government announced $6.5 billion in funding over three years. Overall, the capital planning process has helped to balance maintenance funding with new capital funding.

Health Facilities

A portion of Capital Plan funding was designated for renovations to six health facilities in the Capital Health Region, as noted below, as well as planning for future health projects.

The new Mazankowski Alberta Heart Institute in Edmonton commenced construction on the University of Alberta Hospital site. This centre of excellence will increase inpatient capacity, reduce waiting lists for heart and cardiovascular treatment, and provide heart and stroke research and education.

Construction of the new North Treatment Centre is underway at the Royal Alexandra Hospital site. This project is the second phase of the hospital's redevelopment plan. When completed, the North Treatment Centre will contain cardiology, women's health, general medicine and surgical services.

The Capital Health Region began construction to expand inpatient acute care and ambulatory care programs at the Grey Nuns Community Hospital. The project also includes new space for offices, day clinics and community support programs.

Planning and construction work was initiated at the Misericordia Community Hospital to expand inpatient acute care and ambulatory care programs. The project includes new space for offices, day clinics and community support programs.

Adjacent to Sturgeon Community Hospital, construction of a new Ambulatory Clinic Building proceeded. The new building will house community care, home care and adult day support programs.

At Leduc Community Hospital, work commenced on expanding ambulatory and emergency services within the existing building and adding a new building for community clinic services.

Capital Plan funding was also designated to redevelop the Intensive Care Unit and Emergency Department at the Foothills Medical Centre in Calgary to expand program delivery capacity. Construction of an addition to the main building for expansion of the emergency department has been completed. Planning began for the redevelopment of the intensive care unit. Planning also commenced to develop the Alberta Bone and Joint Centre at the Foothills Medical Centre site in Calgary. The centre will provide inpatient and outpatient orthopedic treatment to Albertans and will combine research, education and clinical care in collaboration with the Faculty of Medicine of the University of Calgary. This facility is being developed in conjunction with the Foothills Medical Centre redevelopment.

Construction of the new Alberta Children's Hospital in Calgary continued. When completed, Alberta will have a world-class facility for pediatric health care focused on family centred care. This facility will provide a significant increase in pediatric emergency and ambulatory care capacity in southern Alberta.

Renovations began on the former Bow River Correctional Centre to accommodate the Southern Alberta Forensic Psychiatric Centre. The Centre will provide psychiatric assessment services as required by the judicial system for residents of southern Alberta subject to criminal trial processes. When renovations are finished, the facility will accommodate the forensic psychiatry program currently located at the Peter Lougheed Centre.

Funding was provided to several other facilities in 2004-05. The Tom Baker Cancer Centre in Calgary received funding for renovations to accommodate breast screening and post-cancer programs, outpatient and day care facilities, and an additional radiation therapy unit. The proposed South Calgary Hospital received funding for planning and additional land acquisition.

Each year, Alberta Health and Wellness makes a funding approval recommendation to Alberta Infrastructure and Transportation for programming studies for projects that have been rated as high regional and provincial priorities. The assessment of the priority is made based on information provided in preliminary business cases using specific rating criteria. Nine new programming studies were approved in 2004-05 including redevelopment of the Medicine Hat Regional Hospital, Barrhead Health Care Centre, Queen Elizabeth II Hospital in Grande Prairie and Cross Cancer Institute in Edmonton. Approved upgrades and expansions include St. Mary's Hospital in Camrose and the Viking Health Centre. Replacements were approved for the Fort Saskatchewan Health Centre and an acute care wing of the High Prairie Health complex. A facility needs assessment was also included for Strathcona County.

Additionally, Capital Plan funding was provided to support the Health Sustainability Initiative Fund. Regional Health Authorities benefiting from this fund over the period include Chinook, Palliser, David Thompson, East Central, Capital, Aspen, Peace Country and Northern Lights.

A formal Health Facilities Roundtable was established by the Ministry to address issues pertaining to the health regions' capital programs. The round table discussions provided health region staff the opportunity to discuss new initiatives, issues and program changes, with representatives from Alberta Health and Wellness and Alberta Infrastructure and Transportation.

Schools

The Ministry continued to work with school boards to encourage the best use of school facilities. An example of a school facility designed for maximum use is the Trillium Centre in Sherwood Park. This facility houses both Catholic and public kindergarten to grade nine schools, as well as offices for Children's Services. Capital Plan funding provided a total of $21.4 million over three years for this project.

Several new schools opened in 2004-05 including St. Timothy in Cochrane, Archbishop Oscar Romero in Edmonton, Notre Dame Academy in Medicine Hat, Terrace Ridge in Lacombe and Our Lady of Fatima and Centennial High School in Calgary. In addition to new schools, replacement schools completed include Ecole Voyageur in Cold Lake, St. Patrick Fine Arts Elementary in Lethbridge, St. Augustine in Ponoka, Chamberlain in Grassy Lake and Iron Ridge Campus in Blackfalds.

A major school modernization project started at Lindsay Thurber High School in Red Deer during the year.

Post-Secondary Institutions

To advance the quality of post-secondary institutions, a significant capital investment was announced for projects across the province. The University of Calgary, the University of Alberta's Augustana Campus in Camrose, both Northern and Southern Alberta Institutes of Technology, the University of Lethbridge, the Banff Centre and Keyano College all benefited from a total investment of $150 million.

In 2004-05, a utilization study continued to determine overall system capacity and utilization of each facility at all of Alberta's colleges, universities and technical institutes.

Seniors' Lodges

The Seniors' Lodge Upgrading Program, which commenced in 1994-95 to preserve and extend the useful life of provincially owned and/or supported lodges, concluded in the 2004-05 reporting period. Included in the program were 121 lodges for modernization and upgrading to current standards. One lodge was not upgraded as a result of uncertainty about its long-term future viability. Other initiatives aimed at prolonging the life expectancy of lodges and protecting taxpayer investment included seminars on future maintenance requirements for the benefit of operating and maintenance staff and ongoing planning for future capital maintenance reserves.

Additional Accomplishments:

- Funded a one-time investment, available in the summer of 2004-05, to health regions to reduce wait times and provide additional beds. Of the $350 million total investment, $150 million each was allocated to the Calgary Health Region and the Capital Health Region, while the remaining $50 million funded capital projects in rural Alberta.
- Approved a new $50 million capital program to provide the basis for developing supportive living facilities for low and moderate-income seniors in rural communities across the province under the Rural Affordable Supportive Living Program.
- Allocated $34 million for health regions to address Infrastructure Maintenance Program projects. This program provides funding for upgrades to building components to meet health and safety requirements or municipal requirements, or replace failed

components and modernization projects with a total project cost of less than $2.5 million.

- Initiated construction of a new expanded Central Alberta Cancer Centre in Red Deer.
- Provided contributions of $14 million to replace the Mewburn Veterans Centre in Edmonton and the Youville Home in St. Albert. A further contribution of $4 million was made to replace the Dr. Dan MacCharles Auxiliary Hospital in Medicine Hat.
- Opened new facilities including the Northwest Health Centre in High Level, the Clearwater Continuing Care Centre in Rocky Mountain House, the Bethany Long Term Care Centre in Camrose, the Foothills Medical Centre in Calgary and the Royal Alexandra Hospital's Ambulatory Care Centre in Edmonton to increase services in these regions.
- Provided the East Central Francophone Education Region and the St. Paul Educational Regional Division with an investment of $20 million to improve facilities benefiting Francophone, public and Catholic students in the St. Paul area.
- Provided $40 million in funding to school boards to assist with infrastructure maintenance projects and $350 million for plant operations and maintenance.

Measure 6.1: Physical Condition of Health Facilities

Description

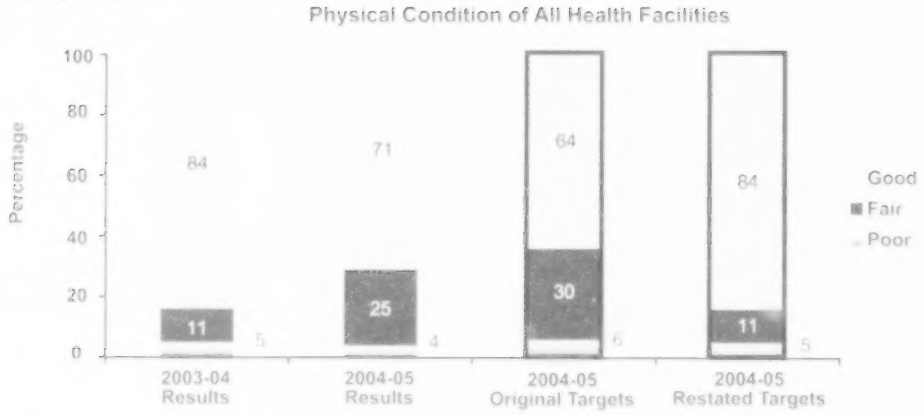
The health facilities physical condition measure is the percentage of health facilities rated in *good*, *fair* or *poor* condition, using a Facility Condition Index (FCI). Refer to Measure 4.1: Physical Condition of Government-Owned and Operated Facilities for interpretation of FCI values and definitions of "*good*," "*fair*" and "*poor*."

Rationale

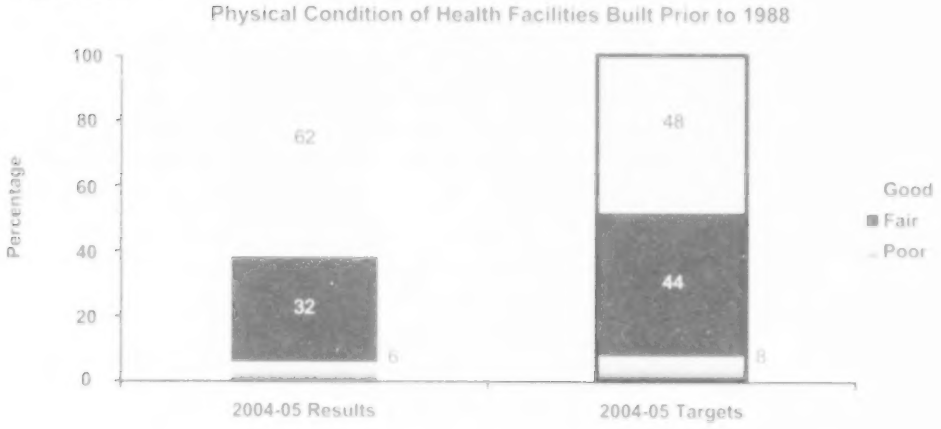
The long-term goal of government is to preserve health facilities and other infrastructure. The condition measure provides data in support of long-term capital planning of health facilities across the province. This measure links to Core Business 1 "Partner with health regions, school boards, post-secondary institutions and seniors' lodge foundations to support the delivery of government programs" and Goal 1 "Provide leadership and funding for the development and preservation of health care facilities and the preservation of seniors' lodges" from Alberta Infrastructure's published 2004-07 Business Plan. It also links to Government of Alberta Business Plan Goal 12.

Results

Graph 1



Graph 2

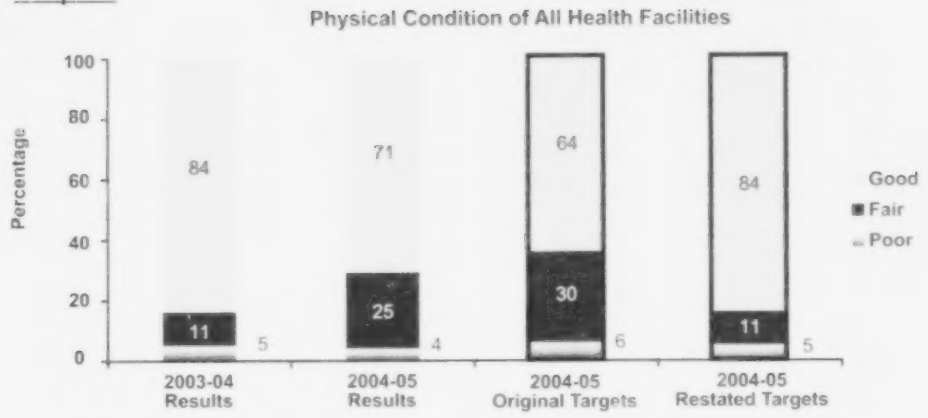


About the Results

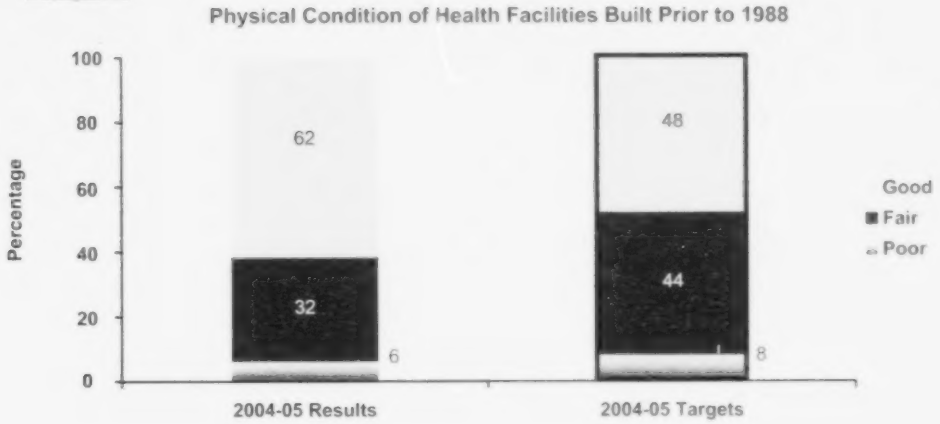
Results (see Graph 1) indicate that in 2004-05, 71 per cent of health facilities were rated in *good* condition, 25 per cent were in *fair* condition and 4 per cent were in *poor* condition. The percentage of health facilities rated in *good* condition was down from 84 per cent in 2003-04 to 71 per cent in 2004-05, while the percentage of facilities in *fair* condition increased from 11 per cent in 2003-04 to 25 per cent in 2004-05. This was due to a number of facilities rated previously in *good* condition slipping into the *fair* category.

Results

Graph 1



Graph 2



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The original 2004-05 targets were established at a time when health facilities were evaluated using a different scale of *good*, *fair* and *poor* Facility Condition Index (FCI) values. Restated targets were established after the Ministry implemented a revised interpretation of *good*, *fair* and *poor* FCI values. The restated 2004-05 targets did not incorporate the effects of deterioration due to limitations in the methods of measurement used at the time.

Results for facilities built prior to 1988 (Graph 2) were provided to assess the condition of facilities that are entering a stage in their life-cycle where more maintenance or replacement of major systems and building components is typically required to ensure their continued viability.

Methodology and Data Sources

The Facility Condition Index (FCI) ratio is the cost to correct current and future (five-year) physical condition deficiencies, relative to current replacement values. If a building has an FCI of less than 15 per cent, it is in *good* condition; if it is greater than or equal to 15 per cent, and less than or equal to 40 per cent, it is in *fair* condition; and if the FCI exceeds 40 per cent, it is in *poor* condition. Information on physical condition deficiencies was obtained through facility evaluations conducted by professional consultants or qualified staff of the health regions. Facility ratings were reviewed by Alberta Infrastructure and Transportation, in consultation with the health regions, to assess whether facility assessment information was complete. In cases where facility evaluation data was incomplete, Alberta Infrastructure and Transportation estimated the total physical condition costs.

Current replacement values were determined using factors such as construction type, maintenance responsibility type, location, and gross building area. Health facility replacement values are generated and confirmed in a process that involves Ministry cost managers, program areas and health region representatives based on ongoing working knowledge obtained through on site participation.

Trends Impacting the Measure

A growing percentage of the province's aging health infrastructure will require major repairs and renewal of major building components. Major capital preservation projects, if approved, will address the problem, as will increasing levels of infrastructure maintenance funding.

Measure 6.2: Utilization of Health Facilities

The definition of utilization is the percentage of infrastructure that is within targeted capacity. A specific set of criteria will be applied to determine the percentage of health facilities within targeted capacity. The methodology for utilization of health facilities is under development in concert with Alberta Health and Wellness.

Measure 6.3: Functional Adequacy of Health Facilities

Functional adequacy is defined as the percentage of infrastructure that provides acceptable functional service. Adequate functional service will be defined in the context of appropriate use of space within health facilities. The methodology for functional adequacy of health facilities is under development in concert with Alberta Health and Wellness.

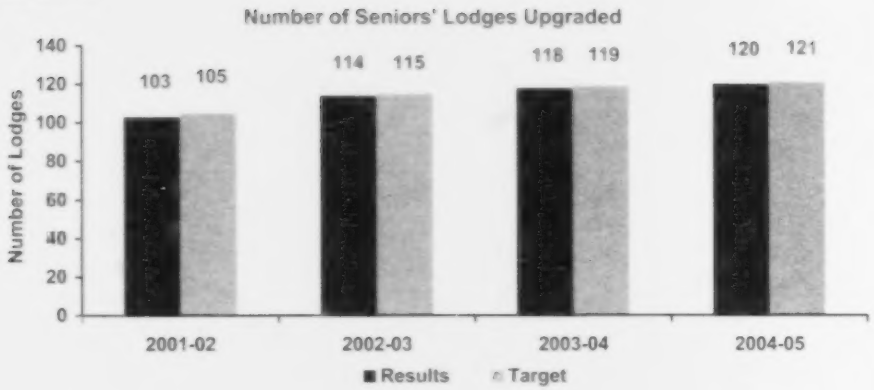
Measure 6.4: Number of Seniors' Lodges Upgraded

Description
The Seniors' Lodge Upgrading Program measure is the cumulative number of seniors' lodge projects completed since the start of the program in 1994. Overall, the program includes upgrading for a total of 121 lodges.

Rationale
This measure supports Core Business 1 and Goal 1 from Alberta Infrastructure's published 2004-07 Business Plan. It also links to Government of Alberta Business Plan Goal 12.

The Lodge Upgrading Program was launched in 1994-95 to preserve and extend the useful life of the inventory of provincially owned and supported seniors' lodges in Alberta. There are 121 lodges eligible under this program, including all lodges constructed prior to 1990 that had not been previously renovated. The program focused on life safety, building code and operating efficiency issues. Specific areas addressed included the building envelope, mechanical and electrical systems, life safety systems, kitchen and laundry equipment, and barrier free access.

Results



About the Results

In 2004-05, an accumulated total of 120 seniors' lodge upgrade projects were completed. The above graph represents the accumulated number of seniors' lodge upgrading projects completed during the last four fiscal years.

Two out of three lodge projects scheduled for completion in 2004-05 were completed. The last eligible lodge project was not upgraded as a result of uncertainty about its long-term future viability. Funding originally allocated for the upgrading of this particular lodge was reallocated to the Lodge Foundation to build new supportive housing units on one of their other seniors' lodge sites.

As of March 31, 2005, the Lodge Upgrading Program officially concluded. The Ministry continues to work with Lodge Foundations to enhance their future maintenance planning of the lodges. Lodges that were completed under this program are now all in good condition and the Ministry will continue to work with Lodge Foundations to provide planning and technical expertise to ensure taxpayer investment in the lodges is protected.

Methodology and Data Sources

Lodge upgrades are considered complete when letters of interim acceptance are provided to the contractor for those projects managed by Alberta Infrastructure and Transportation, or once the final payment is issued to the Lodge Foundation for those managed by the foundations. Those completed projects are then added to the previous years' total for a cumulative total shown as the result. The program ended March 31, 2005.

Trends Impacting the Measure

To ensure the lodges remain in good condition, it is essential that ongoing life-cycle replacement of building components are undertaken. Lodge foundations who own and/or operate the lodges rely on provincial operating grants, rental revenues and requisitions from contributing municipalities to build the necessary reserves for future capital maintenance requirements. Alberta Infrastructure and Transportation has developed and introduced a management tool to assist lodge management with planning and monitoring of annual reserves for future maintenance.

Measure 6.5: Physical Condition of Schools (K-12)

Description

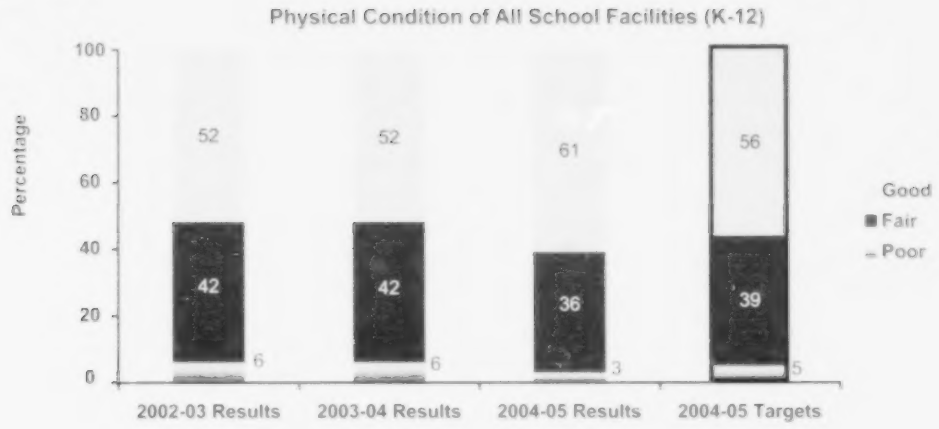
The measure is a percentage of school facilities that are rated as being in *good*, *fair* or *poor* physical condition as defined by a Facility Condition Index (FCI). Refer to Measure 4.1: Physical Condition of Government-Owned and Operated Facilities for interpretation of FCI values and definitions of "*good*," "*fair*" and "*poor*." In addition, a separate analysis was conducted on those school facilities where a majority of the area (i.e. over 50 per cent) was constructed prior to 1988.

Rationale

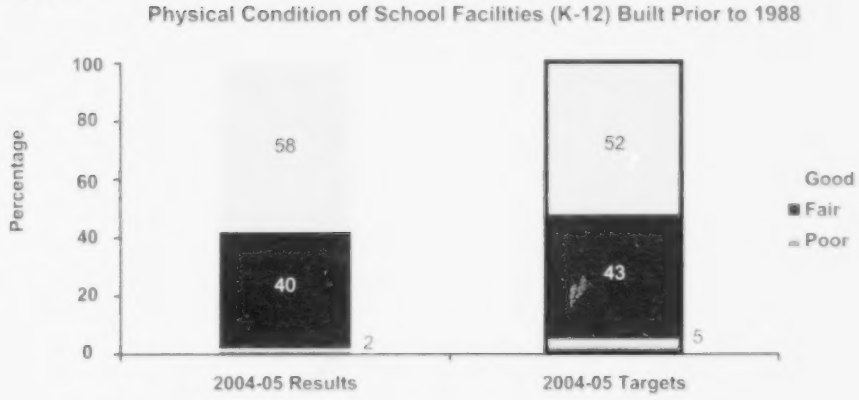
A strategic goal for the Ministry is to develop and implement policies and programs that provide safe, effective learning environments for Alberta's children. In monitoring and evaluating the condition of schools, the Ministry is able to identify the success of these programs. This condition measure supports Core Business 1 and Goal 2 "Provide leadership to preserve and deliver effective and efficient facilities in support of life-long learning" from Alberta Infrastructure's published 2004-07 Business Plan, and assists school boards and the government in their long-term capital planning. It also links to the Government of Alberta Business Plan Goal 12.

Results

Graph 1



Graph 2

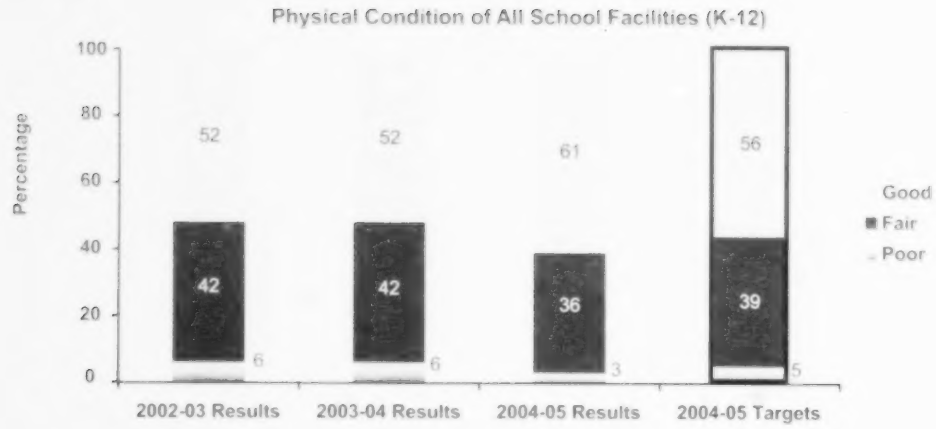


About the Results

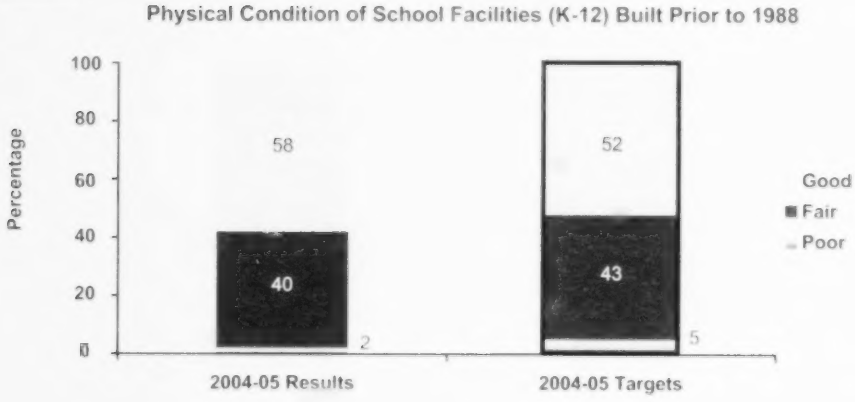
Nearly all (97 per cent) (see Graph 1) of school facilities are considered to be in either *good* or *fair* condition. This result is similar to the analysis, which looked at only school facilities that were built prior to 1988, (see Graph 2) where 98 per cent are either in *good* or *fair* condition. The proportion of schools rated *good* increased from 52 per cent in 2003-04 to 61 per cent in 2004-05. This increase was largely due to a number of schools moving from the *poor* and *fair* categories to the *good* category.

Results

Graph 1



Graph 2



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Since the original 1999-2000 assessments, school boards and the Ministry have been focusing their refurbishing and modernizing investments into school facilities that were identified as being in *poor* condition. The results show that progress is being made and the target for 2004-05 was exceeded.

Methodology and Data Sources

The original data set was obtained from condition assessments performed in 1999-2000 of school facilities owned by school boards and funded by Alberta Infrastructure and Transportation and does not include outreach facilities, and non-school buildings such as maintenance facilities and administration offices. Private consultants conducted all assessments. Those facilities with a point rating between 0 and 399 were considered in *good* condition; those with 400 to 799 points were considered in *fair* condition; and those with 800 or more points were considered to be in *poor* condition.

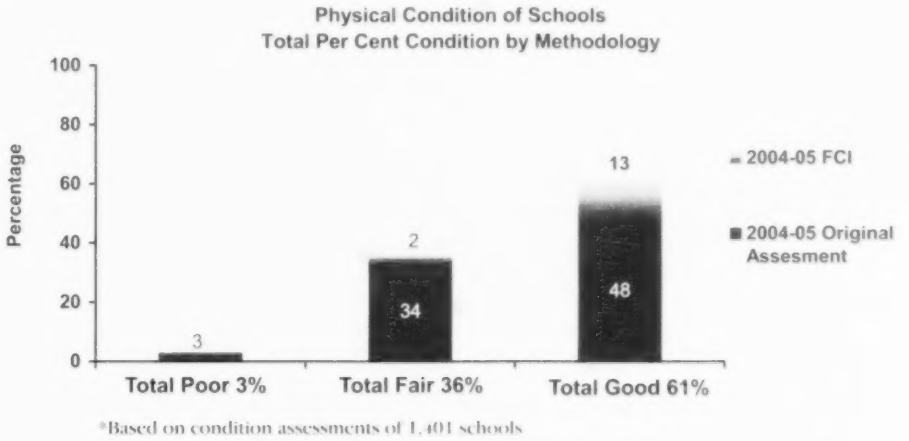
Over the past few years, the Ministry has started to refresh the original assessment data over a five-year period. Initial point ratings were based on condition assessments performed in 1999-2000. The Ministry is in the process of conducting follow-up evaluations on the original 1999-2000 assessments, which began in 2004. The difference in this current approach is:

- Staged implementation. Rather than evaluating all schools at once in a short timeframe, the objective for this round of assessments is to implement an ongoing process whereby a school will be assessed once every five years. This approach equates to approximately 300 facilities being audited each year. The advantage of this approach is that facility assessments are now an ongoing component of the Ministry's business. The disadvantage is that there will be some schools that will not be assessed for a significant length of time.
- Facility Condition Index (FCI). Rather than focusing on reporting a raw score, the FCI is calculated in order to comply with the approach used for other facility assessments. Although the end result for an FCI might differ from the previous approach, it still identifies a *good*, *fair* and *poor* rating.

Unlike the original 1999-2000 assessments, which used a point based approach, the facility re-assessments calculate the Facility Condition Index (FCI). The FCI is the ratio of forecasted costs to correct physical deficiencies relative to the replacement value. This ratio is then expressed as a percentage based on the same three-point scale used in the 1999-2000 assessments: i.e., *good*, *fair* and *poor*.

The three-point scale that was used in both the original 1999-2000 condition assessments and the on-going facility re-assessments is defined as follows: if the FCI is less than 15 per cent, the facility is in *good* condition; if the FCI is greater than 15 per cent and equal to, or less than 40 per cent, the facility is in *fair* condition; and if the FCI exceeds 40 per cent, the facility is in *poor* condition.

Graph 3



*Based on condition assessments of 1,401 schools

Graph 3 depicts the percentage of schools rated *poor*, *fair* and *good* for 2004-05, as well as the percentage of schools in each condition by evaluation methodology.

Ratings have been updated to include the estimated effect of modernizations conducted since the initial condition assessments. The extent to which schools have deteriorated since the initial assessments has not been determined. Replacement costs for facilities evaluated in the original assessment have been adjusted for inflation. The findings from schools that have been re-evaluated have been included in these results.

Trends Impacting the Measure

A trend that can impact the condition of school facilities is the amount of modernization and preservation funding that is provided to school boards. With limited resources, prioritization of upgrades must occur among viable schools. The increasing age of inventory of schools may impact the results in future as inflationary pressures of a growing economy drive the costs to maintain and replace major building components and systems.

Measure 6.6: Utilization of Schools (K-12)

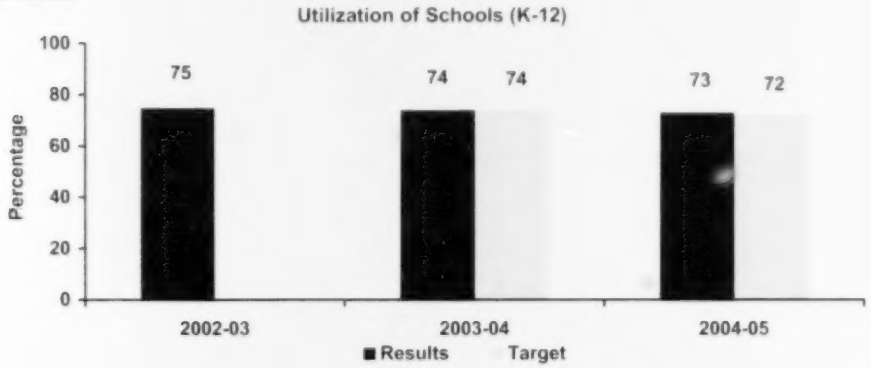
Description

Utilization of school facilities is defined as adjusted student enrollment as a percentage of the capacity of existing school facilities.

Rationale

This measure links to Core Business 1 and Goal 2 from Alberta Infrastructure's published 2004-07 Business Plan. It also links to Government of Alberta Business Plan Goal 12. The utilization measure is one of the key factors used by school boards when assessing the future viability of existing facilities.

Results



About the Results

The average utilization rate for all typical school facilities for 2004-05 was 73 per cent. Although this is slightly below the 2003-04 result of 74 per cent, the Ministry was still able to exceed the target of 72 per cent. The Ministry has been encouraging school boards to pursue rightsizing initiatives for their school facilities, given that declines in student enrollment and migration patterns will result in lower utilization rates for many schools in the near future.

Methodology and Data Sources

The formula for capacity is based on a set amount of building area allowed per student. The calculation also takes into account appropriate capacity for elementary, junior high and high school students, with adjustments for special needs and kindergarten students. The adjustments recognize that special needs students require more space than mainstream students, and that most kindergarten students do not attend full-time. Another adjustment in the calculation reflects the difference in area for high schools built prior to 1990. The earlier schools were constructed with wider hallways and other non-instructional space compared to recently constructed high schools allowing for more instructional space.

Alberta Education provides enrollment data as of September 30 each year. Data on school facilities, their capacities and adjustments to enrollment data is entered into the Ministry's School Facilities Database System.

Trends Impacting the Measure

Demographic shifts such as migration from rural to urban centres, new subdivisions that attract young families and declining fertility rates are challenging school boards to ensure that school facilities are located in areas where demand for educational services is greatest.

Measure 6.7: Functional Adequacy of Schools (K-12)

Functional adequacy is defined as the percentage of infrastructure that provides acceptable functional service. The methodology for functional adequacy of schools is under development with Alberta Education. Acceptable functional service will be defined in the context of appropriate use of space within schools.

Measure 6.8: Physical Condition of Post-Secondary Institutions

Description

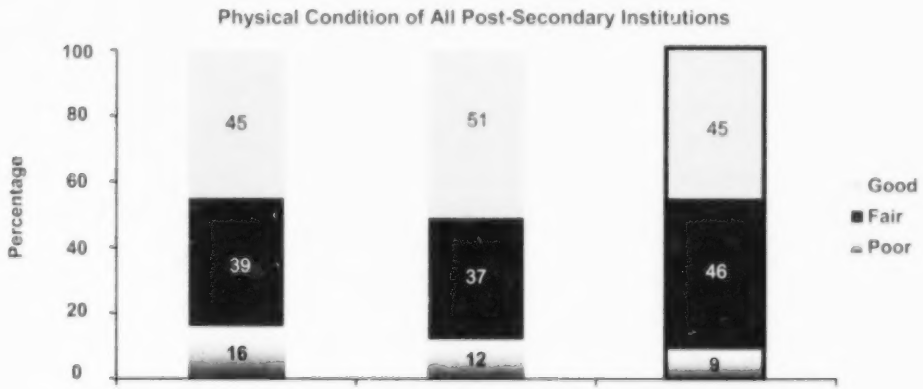
The measure is a percentage of the total facilities at post-secondary institutions rated in *good*, *fair* or *poor* condition using a Facility Condition Index (FCI) that compares the total cost of deficiencies to the replacement value of the facility. Refer to Measure 4.1: Physical Condition of Government-Owned and Operated Facilities for interpretation of FCI values and definitions of "*good*," "*fair*" and "*poor*."

Rationale

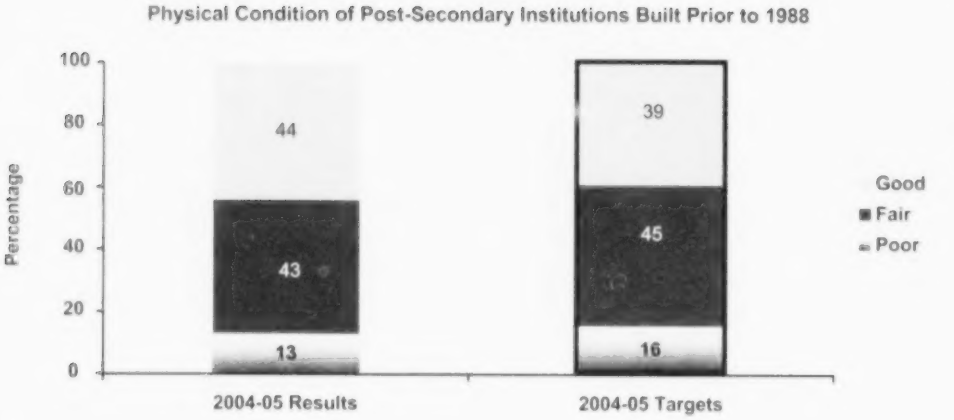
The measure directly links to Core Business 1 and Goal 2 from Alberta Infrastructure's published 2004-07 Business Plan. It is also linked to Government of Alberta Business Plan Goal 12. The performance indicator provides an annual look at how effectively critical post-secondary infrastructure is maintained.

Results

Graph 1



Graph 2



About the Results

The results (see Graph 1) under the new scale show a six per cent increase of facilities in *good* condition compared to the target. The percentage of facilities rated in *fair* condition decreased correspondingly by two per cent compared to the previous 2003-04 result. Facilities in *poor* condition decreased by four per cent.

Results for facilities built prior to 1988 (see Graph 2) were provided to assess their condition. These facilities typically require more maintenance or replacement of major systems and building components to ensure their continued viability. Facilities built prior to 1988 have a somewhat lower rating overall with 13 per cent rated in *poor* condition. This result is three per cent better than the 2004-05 target. The percentage of facilities built prior to 1988 rated in *good* condition is seven per cent lower than for all post-secondary facilities. Correspondingly six per cent more of the facilities built prior to 1988 were rated in *fair* condition when compared to all post-secondary facilities.

When the original baseline data was collected, the source and magnitude of deficiencies could not be readily determined in some cases. As more detailed evaluations were completed, the data was updated to reflect those findings. As well, the degree of overall change in the results was impacted by new facilities being added to the inventory.

Measure 6.8: Physical Condition of Post-Secondary Institutions

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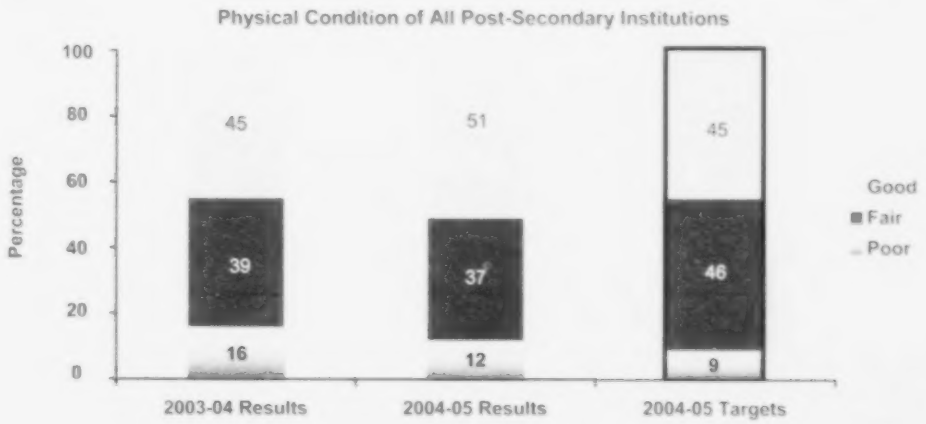
The measure is a percentage of the total facilities at post-secondary institutions rated in *good*, *fair* or *poor* condition using a Facility Condition Index (FCI) that compares the total cost of deficiencies to the replacement value of the facility. Refer to Measure 4.1: Physical Condition of Government-Owned and Operated Facilities for interpretation of FCI values and definitions of "*good*," "*fair*" and "*poor*."

Rationale

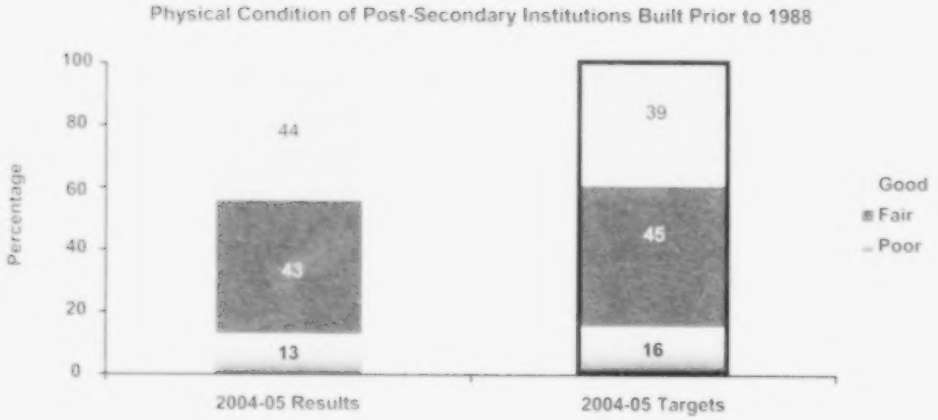
The measure directly links to Core Business 1 and Goal 2 from Alberta Infrastructure's published 2004-07 Business Plan. It is also linked to Government of Alberta Business Plan Goal 12. The performance indicator provides an annual look at how effectively critical post-secondary infrastructure is maintained.

Results

Graph 1



Graph 2



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When the original baseline data was collected, the source and magnitude of deficiencies could not be readily determined in some cases. As more detailed evaluations were completed, the data was updated to reflect those findings. As well, the degree of overall change in the results was impacted by new facilities being added to the inventory.

Methodology and Data Sources

The total cost of deficiencies was calculated by taking the estimated cost of remedial work recommended for the next five years to bring the condition level to acceptable and adjusting it for factors such as location, contingency and consultant fees. Replacement costs were adjusted for inflation for facilities where recent information was not available.

When the methodology was first developed, it was based on a Facility Condition Index scale defining 0-15 per cent as *good*, 15-50 per cent as *fair* and over 50 per cent as *poor*. In 2003-04, the scale was revised with the intent to apply the same condition scale to all government-owned and supported facilities in the future. The FCI that was applied to report the results for the past two years defines *good* condition as less than 15 per cent; *fair* condition, if it is greater than 15 per cent and equal to, or less than 40 per cent; and *poor* condition if the FCI exceeds 40 per cent.

Consultants gathered the original baseline data through a facility condition study completed in September 2002. Post-secondary institutions update the information, which is validated by the Ministry on an annual basis.

The data assists with establishment of priorities, funding decisions and development of long-term facility management and capital plans. The boards of institutions and Alberta Infrastructure and Transportation jointly share the responsibility for the condition of post-secondary facilities.

Trends Impacting the Measure

A significant portion of the improvement in FCI can be attributed to a change in institutions re-classifying recommended remedial events from maintenance items to functional upgrades. Functional upgrades are not included in the calculation of the Facility Condition Index.

Measure 6.9: Utilization of Post-Secondary Institutions

This measure is under development. The definition of utilization is the percentage of infrastructure that is within targeted capacity. A specific set of criteria will be applied to determine the percentage of post-secondary facilities within targeted capacity. A preliminary detailed utilization study has been completed to determine the overall capacity of post-secondary facilities across the province. This information will result in an up-to-date system inventory, development of room classification standards and a methodology for measuring utilization on an ongoing basis. Input from stakeholders and Alberta Advanced Education will be requested as part of the development of this measure.

Measure 6.10: Functional Adequacy of Post-Secondary Institutions

Functional adequacy is defined as the percentage of infrastructure that provides acceptable functional service. Acceptable functional service will be defined in the context of appropriate use of space within post-secondary facilities. The methodology for functional adequacy of post-secondary facilities is under development with Alberta Advanced Education.

Core Business 4: Represent Alberta's interests in transportation policy

The specific Ministry programs linked to this core business include a portion of Ministry Support Services.

Financial Resources (in thousands)	Operating Expense	Capital Investment
Planned Spending (Estimates)	3,548	-
Total Authorized	3,623	-
Actual Spending in 2004-05	3,575	-
Actual Spending in 2003-04	3,447	-
Human Resources		
Budgeted FTEs	27	
Actual FTEs Utilized	27	

This core business deals with providing long-term planning of the highway network, and developing provincial policies pertaining to highways, municipal transportation, motor carriers, and rail and air modes of transportation from the perspective of passengers, shippers and carriers. Influencing national and international policy on national highways, rail, air, intercity bus, ports/marine operations, border crossing services, and coordinating various barrier free transportation and climate change initiatives are also part of this core business.

There were no significant variances from planned spending for this core business.

Goal 7: Work With Stakeholders And Other Jurisdictions To Develop And Promote Policies In Support Of Efficient Transportation

Results

As part of the transportation network in North America, Alberta has impact on and is impacted by the policies of its neighbours and partners. Alberta Infrastructure and Transportation actively participates with municipalities, the federal government, other western provinces and the United States in discussions on key issues affecting the multi-modal transportation industry.

With participation from Ministry staff, the Council of Ministers, composed of the Ministers responsible for Transportation and Highway Safety from all 10 provinces, the Yukon, Northwest Territories, Nunavut and the federal

government, approved three modifications to the national Memorandum of Understanding on Vehicle Weights and Dimensions. This memorandum was designed to improve uniformity in regulations covering the weights and dimensions of eight types of commercial vehicles operating between the provinces and territories on the nationwide highway system. A western meeting of the Inter-provincial Task Force on Vehicle Weights and Dimensions was also held with officials from the State of Alaska to address issues affecting commercial vehicle operations along the CANAMEX (CANada/AMerica/MEXico) Corridor between Alberta and Alaska.

To contribute to the development of an efficient transportation system connecting Alberta shippers to world markets, the Ministry organized the 2004 Shipper Committee meeting in which representatives from over 30 major industry groups participated. The purpose of the meeting was to confirm that the Ministry's policies and future plans continued to serve the needs of Alberta shippers on various freight issues, including the *Canada Transportation Act* review.

Through joint federal programs, the Strategic Highway Infrastructure Program and Canada Strategic Infrastructure Fund, construction began on an interchange at Highway 16 and Campsite Road in Spruce Grove, an interchange at Highway 1 and Cassils Road in Brooks, and twinning of Highway 43 from Green Court to Glenevis. Negotiations were also initiated with the federal government on contribution agreements for the construction of ring roads related to Calgary and Edmonton.

To further develop inter-modal trade corridors such as the CANAMEX Corridor to connect Alberta shippers to the United States and other world markets, the Ministry worked with Transport Canada, other provinces, the United States Departments of Transportation and Homeland Security to resolve issues around delays at border and rail crossings, as well as issues related to the transport of hazardous materials.

In conjunction with Canadian and American governments and the State of Montana, the new joint border-crossing facility at Coutts/Sweetgrass was completed. The Ministry worked with the Dangerous Goods Directorate in Transport Canada and the US Department of Transportation in Montana to resolve periodic issues and develop long-term solutions. Specific activities included participation in annual joint border checks and increased cross training, joint response exercises and cooperative information sharing between U.S. and Canadian personnel.

The Ministry provided input into a Northern Corridor analysis which is now complete. The analysis was jointly funded through British Columbia's Ministries of Small Business, Economic Development and Transportation, Alberta's Ministry of Economic Development, and the Northwest Corridor Development Corporation. Support for a new container terminal at Prince Rupert and the benefits such a facility would bring to Alberta were conveyed to the federal government. On April 15, 2005, the federal government committed $30 million to this project.

Also, the Ministry was the lead for a short line railway task force supporting the Council of Deputy Ministers. This task force updated the short line railway inventory of Canada and exchanged information between provinces relating to the short line industry. The Ministry also undertook studies to review and assess the provincial short line railway industry.

The Ministry closely monitored the merger of the Canadian National Railway and British Columbia Rail, and the Competition Bureau's provisions that provide competition for interlined shipments and specified rates for grain. These initiatives could have a potential impact on Alberta shippers' access to markets.

Under the National Aviation Strategy, the Ministry participated with other jurisdictions on an Air Issues Task Force to review small airport viability. In addition, the Ministry provided input into the federal review of airport rent and airport capital assistance program.

To address sources of climate change, discussions have been ongoing with respect to greenhouse gas mitigation agreements with trucking and heavy construction sectors, and Alberta Environment. Discussions focused on options to reduce greenhouse gas emissions and gain fuel efficiencies. Also, the Ministry provided climate change information, Alberta Climate Change Update and other industry association briefings to transportation sector partners.

Supporting the Aboriginal Policy Initiative, Aboriginal content clauses were included in 100 per cent of transportation and water management contracts for projects undertaken on Indian Reserves and Métis Settlement lands. The Ministry also invited Aboriginal communities to participate in traffic safety initiatives, with the assistance of Alberta Aboriginal Affairs and Northern Development and Health Canada.

Alberta Infrastructure and Transportation led the Alberta Advisory Committee on Barrier Free Transportation to develop strategies to improve access to transportation facilities and systems for persons with disabilities. Working with municipalities, the Ministry continued to implement strategies at the local level through a collective review of programs. In addition, other strategies included development of a rural-urban accessible transportation discussion paper and creation of a toolkit to assist new and existing accessible transportation service providers.

The Intelligent Transportation Systems Strategic Plan was completed. The plan applies Intelligent Transportation Systems to improve the safety and efficiency of the provincial transportation network and logistics at international border crossings. In addition, the Intelligent Transportation Systems Plan for Queen Elizabeth II (Highway 2) between Edmonton and Calgary was implemented. This included installation of four dynamic message signs to display current road condition information for motorists. Two of these signs were constructed with funding from Transport Canada under the Intelligent Transportation Systems contribution agreement. A study was also completed to review needs and opportunities for Intelligent Transportation Systems technology on the ring roads in Edmonton and Calgary.

Additional Accomplishments:

- Commenced an initiative to harmonize weights and dimensions between Alaska and the Western Canadian provinces and territories.
- Signed a Memorandum of Understanding with the Alberta Motor Association (AMA) to formalize a partnership to provide road reports on the AMA website.
- Established a formal partnership with the British Columbia Ministry of Transportation and Parks Canada to share traveler information on highways through the Mountain Parks.

Measure 7.1: Barrier Free Transportation

Alberta Infrastructure and Transportation, as well as other provincial government ministries, provides funding to municipalities for accessible transportation. Municipalities throughout Alberta may use funding provided by Alberta Infrastructure and Transportation through the Streets Improvement Program, the Rural Transportation Grant, the City Transportation Fund, the Basic Capital Grant and the Alberta Municipal Infrastructure Program for accessible transportation. As the population of Alberta grows, there are a rising number of persons dependent upon accessible transportation in both urban and rural Alberta. Alberta Infrastructure and Transportation is currently developing a methodology and baseline data to evaluate the access to transportation facilities and systems for persons with disabilities in Alberta.

Core Business 5: Provide strategic services to government ministries, boards and agencies

The specific Ministry programs linked to this core business include: Air and Vehicle Services, Land Services, the Energy Rebates program, and a portion of Program Support and Ministry Support Services.

Financial Resources (in thousands)	Operating Expense	Capital Investment
Planned Spending (Estimates)	15,479	14,021
Total Authorized	330,066	21,896
Actual Spending in 2004-05	289,556	21,572
Actual Spending in 2003-04	238,718	21,850
Human Resources		
Budgeted FTEs	92	
Actual FTEs Utilized	92	

The $281.6 million over-expenditure relative to planned spending is primarily due to:

- $275.8 million in expenditures for the Energy Rebates that is intended to help consumers when gas prices are high. Government approved funding of up to $314 million for the 2004-05 fiscal year.

The overall net increase of $50.6 million in spending in 2004-05 compared to 2003-04 is primarily due to an increase in Energy Rebates due to fewer rebate periods in 2003-04.

Goal 8: Provide Cross-ministry Leadership And Support To Priority Programs And Initiatives

Results

Alberta Infrastructure and Transportation is involved in a broad range of initiatives such as provincial transportation safety programs, the provision of policy direction, planning and capital funding for supported infrastructure, and building and managing government-owned infrastructure. This includes the provincial highway network and facilities that support government operations. To support these initiatives, the Ministry continually strives to improve policies and processes and find innovative ways to streamline administration of programs.

A Transportation and Utility Corridor Program Policy, that outlines the approval process for utilizing the corridor, was completed and signage throughout the Transportation and Utility Corridor (TUC) was put in place. The TUC website was enhanced to improve stakeholder access to information and a TUC brochure was completed.

The Alberta Infrastructure and Transportation Environmental Management System comprises policies, procedures and practices designed to identify and manage environmental impacts associated with the Ministry's products, services and activities. During the fiscal year, 15 environmental management programs were completed, environmental management system processes were aligned with the business plan cycle, new environmental monitoring and measuring devices to track ministry environmental performance were developed and training was provided to approximately 700 staff and service providers.

The Ministry provides services to other Alberta government ministries in the sale or disposal of surplus and underutilized property, as well as acquisition or lease of other property. Land acquisitions of $14.9 million were completed for the Anthony Henday public-private partnership freeway project in southeast Edmonton and the Stony Trail extension project from Country Hills Boulevard to Deerfoot Trail in northwest Calgary. Thirty-one properties were purchased for $1.7 million on behalf of Alberta Environment and Alberta Community Development for water resource management and park development projects. A total of 265 receivable leases/licences were completed as well as 190 payable leases/licences were processed for various government agencies and corporations. Expenditures were within one per cent of the budget target of $101 million and property sales in the amount of $18.6 million were completed.

The cross-ministry Capital Planning Initiative in partnership with Alberta Finance managed the prioritization of all capital project requests for submission into future government Capital Plans. Alberta Infrastructure and Transportation held the lead role for the Capital Planning Initiative. Task groups chaired by Alberta Infrastructure and Transportation under the Capital Planning Initiative assessed long-term planning, the magnitude of capital requirements and determined the basis for securing sufficient capital funding. A more coordinated approach provided greater flexibility in long-term planning and resulted in better project and program outcomes aligned with the Government of Alberta's strategic vision.

Enhancements to the Capital Planning process will address accumulated deferred maintenance in building and road infrastructure estimated at $3.1 billion as of March 31, 2004.

Alberta Infrastructure and Transportation, in conjunction with Alberta Seniors and Community Supports and Alberta Health and Wellness, worked with health regions on projects to address rural health priorities and assisted living needs. In 2004-05, the provincial government approved a new $50 million program for development of rural affordable supportive living housing. This program is underway and proposals from private sector proponents have been requested. Additionally, grants were provided for existing facilities in Edson, Red Deer, Lethbridge and Medicine Hat, and to initiate planning studies for redevelopment of facilities in Brooks, Lethbridge, Grande Prairie, High Prairie, Viking, Camrose and Barrhead.

Alberta Infrastructure and Transportation responded to recommendations flowing from the Minister's Symposium on Schools by providing a certification workshop on Leadership in Energy and Environmental Design for school boards.

The Space Classification System, as a tool to evaluate the outstanding maintenance requirement for all types of facilities, was implemented for post-secondary institutions. It provided current and comprehensive utilization data to the new infrastructure management system. Other avenues of data input included a completed web access project providing 106 clients, such as post-secondary institutions, school boards and health regions, with the means to submit capital project requests to the Ministry through the Internet. Benefits of this are a consistent interface with all supported clients, ease of use and the ability to reduce future data entry requirements for project requests awaiting funding approval. In addition, a software system was implemented to assist the Ministry to manage all Transportation and Utility Corridor leases.

To encourage advances in science and health research in the province, construction began on the Health Research Innovation Centres at the Universities of Alberta and Calgary. Once completed, these centres will provide excellent facilities to conduct leading medical research. Additional space provided by these facilities will keep Alberta at the forefront of research, attract world-class medical experts and support economic development and diversification.

Supporting government priorities for Albertans through the Natural Gas Rebate Program, the Ministry administered rebates of approximately $276 million to more than one million Albertans. Ninety-five per cent of Albertans had their rebates applied automatically to their natural gas bills. Albertans who heated their homes with propane, kerosene and heating oil, and some agriculture consumers, were eligible to apply for equivalent rebates.

Additional Accomplishments:

- Led by the Ministry, a new committee structure was developed within the Capital Planning Initiative for prioritization of all capital project requests. Five task groups, Management Reporting and Coordination, Performance Measurement and Systems, Capital Prioritization, Strategic, and Alternative Finance, were formed and Ministry staff chaired the task groups. These groups made major contributions to the Capital Planning Initiative's processes and positioned the Ministry to successfully provide reliable and consistent information to the Deputy Ministers' Committee and Treasury Board concerning infrastructure needs in the province. The cross-government Capital Planning Initiative chaired by the Ministry was one of six finalists from among 97 applications for the Institute for Public Administration of Canada's Award for Innovative Management.
- Implemented an area, capacity and utilization dispute resolution process to resolve disagreements on school capacity ratings.
- Developed standard electronic templates for Request For Proposals, and posted on the Alberta Infrastructure and Transportation website.
- Implemented a vendor registry to allow private sector consultants to register their interest in obtaining work with the Ministry. The registry identifies vendor qualifications and areas of expertise.

Measure 8.1: Client Satisfactions Survey - Real Estate Quality of Service

Baseline results and targets for the "Real Estate Quality of Service" measures are currently under development. Alberta Infrastructure and Transportation will undertake the next client satisfaction survey in 2006 to assess client satisfaction for the 2005 calendar year. This survey will seek client feedback on how successfully the Ministry met their real estate needs.

Measure 8.2: Progress on Completion of Health Research Innovation Centres

Description

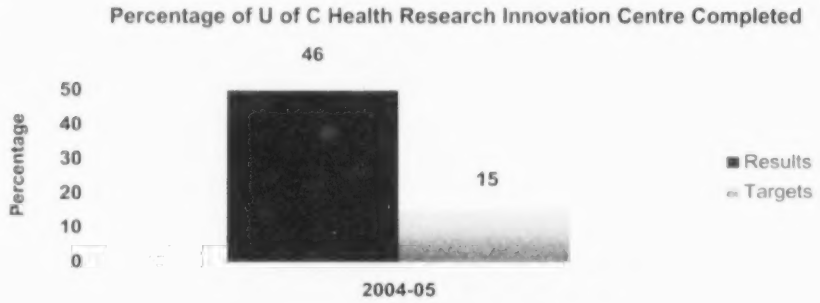
These measures track the completion of the Health Research Innovation Centres in Calgary and Edmonton. They are state-of-the-art facilities that will be dedicated to furthering knowledge in the field of medical health research. The two facilities are major projects, with approved total provincial support of $110 million each.

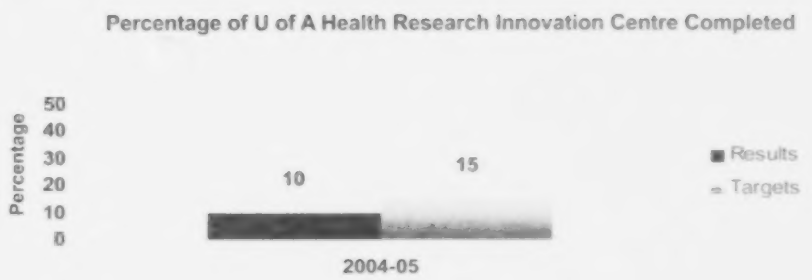
Rationale

This measure is linked to Goal 7, "Work with stakeholders and other ministries to improve planning, and contribute to government initiatives supporting economic development and diversification," which is aligned under Core Business Four, "Improve planning to ensure value for government investment and support economic development and diversification," in Alberta Infrastructure's published 2004-07 Business Plan. It also links to Government of Alberta Business Plan Goal 12. The new Health Research Innovation Centres at the Universities of Calgary and Alberta are projects undertaken in support of the government's strategy to enhance research and development capacity in Alberta.

The purpose of these performance measures is to track project completion to ensure that the institutions have adequate cash flow including both government grants and internal resources so that projects can be completed on time and within budget. These measures indicate that grant fund cash flow is approximating the construction timeframe. As well, the measures allow for tracking the effectiveness and efficient allocation of post-secondary capital grants related to these projects.

Results





About the Results

The results indicate that the two projects are well along in the construction phase, with 46 per cent of the University of Calgary Health Research Innovation Centre (HRIC) completed, and 10 per cent of the University of Alberta Health Research Innovation Facilities (HRIF) completed. The HRIC project status report indicates that the project remains on schedule. The HRIF project has not progressed to the same extent due to unforeseen site contamination issues that imposed delays. Overall completion is still on target.

Methodology and Data Sources

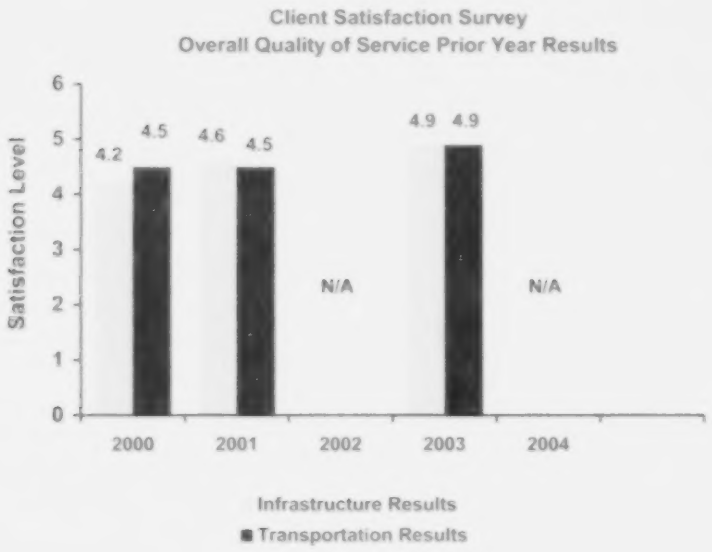
Percentage progress in completion results are based on the consensus of project managers, consultants, university and Ministry officials on estimated construction costs, costs for fitting-out the facilities, other cost estimates and visual inspections along with actual expenditures. The project managers for each respective project provide monthly progress reports to the Ministry. The independently employed on-site project managers provide quarterly reports as to the status of each project including picture evidence of project progress. Ministry staff also provide monthly status reports compiled through site visits and meetings with the contractors.

Trends Impacting the Measure

This measure may be influenced by several external factors that are beyond the control of the Ministry such as delays related to unforeseen site conditions and extraordinary escalation in project costs due to extreme market conditions for necessary materials or labour.

Measure 8.3: Client Satisfaction Survey – Overall Quality of Service

Previously Alberta Infrastructure and Alberta Transportation have undertaken either as one Ministry or as separate ministries a client satisfaction survey and reported results for the 2000, 2001 and 2003 calendar years. The next survey will be conducted in 2006 for the 2005 calendar year.



Goal 9: Efficiently Manage The Government's Air And Vehicle Fleets

Results

Air transportation services are provided by Alberta Infrastructure and Transportation to offer time savings and cost-effectiveness to government ministries, boards and agencies. Flights are coordinated to provide efficient use of a fleet of four aircraft including three Beechcraft King Air and a 36-passenger deHavilland Dash 8. The fleet is operated and maintained on behalf of the Government of Alberta.

The primary goal of the Ministry's air transportation services is the safety of clients and crew, and the Ministry is committed to the highest standards in flight operations and maintenance. This is achieved and maintained by working as a team to foster safety and provide a wide variety of maintenance and training opportunities for staff. Safety and reliability records are tracked and extensive internal and external training programs are undertaken. As well, ongoing evaluations of operating and maintenance policies are completed. The Ministry uses industry-accepted methods and special inspections to maintain high safety standards. Cost of operations along with the economics of retrofitting new navigation and safety systems are monitored as an indicator of when aircraft will need to be replaced.

In addition, the Ministry provides management of the vehicle fleet on behalf of the Alberta government. The fleet comprises light duty vehicles under a lease agreement established in 2003-04 that provides volume cost savings and an option to extend agreements for low-mileage vehicles longer than the four-year term. The Ministry continued to lease vehicles while the older, less efficient owned vehicles were being replaced. The use of the fleet cars continues to save on repair and maintenance costs.

Additional Accomplishments:

- Maintained a zero accident rate while providing 661 flights and flying 499,821 kilometres. Exceptional dispatch reliability was also maintained, highlighted by having only five flights delayed more than 15 minutes, which equates to a Ministry reliability rate of more than 99 per cent.
- Provided emergency response air transportation as required to assist in special circumstances such as forest fires and environmental emergencies.

- Continued to monitor the aging government vehicle fleet and put planning processes in place for the retirement or replacement of vehicles that were no longer suitable for government service.
- Scanned the market for availability of appropriate gas/electric hybrid vehicles for government applications.

Measure 9.1: Client Satisfaction Survey – Vehicle Users and Air Transportation Passengers Quality of Service

Alberta Infrastructure and Transportation undertakes a client satisfaction survey of key service areas of the Ministry every two years. The next client satisfaction survey will be undertaken in 2006 to assess client satisfaction for the 2005 calendar year. To further our ability to understand our clients' needs, the survey has been expanded to gather additional satisfaction data for clients of the Vehicle Services and Air Transportation service areas. Baseline results and targets for the "Vehicle Users and Air Passengers Quality of Service" measures are currently under development.

Alberta Infrastructure and Transportation

Financial Statements

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AUDITOR GENERAL *Alberta*

Auditor's Report

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Infrastructure and Transportation as at March 31, 2005 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry of Infrastructure and Transportation as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
May 20, 2005

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
STATEMENT OF OPERATIONS
Year ended March 31, 2005

(in thousands)

	2005 Budget (Schedule 4)	2005 Actual	2004 Actual (Restated - Note 3)
Revenues (Schedule 1)			
Transfer from Lottery Fund	$ 325,000	$ 325,000	$ 240,000
Transfers from Government of Canada	60,300	26,445	5,871
Fees, Permits and Licenses	13,920	21,009	20,969
Investment income	4,000	5,871	6,439
Other Revenue			
Refunds of Expenditures	4,675	18,313	4,312
Miscellaneous	43,448	37,666	38,971
	451,343	434,304	316,562
Expenses - Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	44,845	50,660	46,818
Infrastructure Operation, Preservation and Expansion	2,526,037	3,048,407	2,227,263
	2,570,882	3,099,067	2,274,081
Statutory			
Infrastructure Operation, Preservation and Expansion	-	-	474
Valuation Adjustments			
Provision for Doubtful Accounts	-	272	66
Provision(Decrease) for Vacation Pay	-	(124)	586
	-	148	1,126
	2,570,882	3,099,215	2,275,207
Gain on Disposal of Tangible Capital Assets	-	(10,120)	(14,307)
Net Operating Results	$ (2,119,539)	$ (2,654,791)	$ (1,944,338)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
STATEMENT OF FINANCIAL POSITION
As at March 31, 2005

	(in thousands) 2005	2004 *(Restated - Note 3)*
ASSETS		
Cash	$ 1,320	$ 1,147
Accounts Receivable (Note 4)	36,046	36,041
Advances (Note 5)	187	301
Inventories (Note 6)	14,064	12,725
Tangible Capital Assets (Note 7)	8,408,311	8,088,644
	$ 8,459,928	$ 8,138,858
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 248,582	$ 238,745
Holdbacks Payable	31,215	18,762
Unearned Revenue	3,785	1,668
Obligation under Private Public Partnership (Note 9)	8,000	-
Provision for Future Site Remediation (Note 10)	29,386	28,761
	320,968	287,936
NET ASSETS		
Net Assets at Beginning of Year (Note 3)	7,850,922	7,857,135
Net Operating Results	(2,654,791)	(1,944,338)
Net Transfer from General Revenues	2,942,829	1,938,125
Net Assets at End of Year	8,138,960	7,850,922
	$ 8,459,928	$ 8,138,858

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
STATEMENT OF CASH FLOWS
Year ended March 31, 2005

	(in thousands) 2005	2004 (Restated - Note 3)
Operating Transactions		
Net Operating Results	$ (2,654,791)	$ (1,944,338)
Non-cash items included in Net Operating Results:		
Amortization (Schedule 5)	240,990	229,874
Gain on Disposal of Tangible Capital Assets	(10,120)	(14,307)
Grants in Kind	3,852	6,016
Non-Cash Revenue	-	(6,508)
Provision for Future Site Restoration	625	625
Inventory Adjustment	71	(63)
Consumption of Inventory (Schedule 5)	26,297	25,042
Valuation Adjustments	148	1,126
	(2,392,928)	(1,702,533)
(Increase)Decrease in Accounts Receivable	(277)	2,649
Decrease in Advances	114	313
Increase in Accounts Payable and Accrued Liabilities	9,961	58,661
Increase in Holdbacks Payable	12,453	4,700
Increase(Decrease) in Unearned Revenue	2,117	(469)
Cash Applied to Operating Transactions	(2,368,560)	(1,636,679)
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 5)	(614,055)	(419,242)
Purchase of Inventories (Schedule 5)	(25,644)	(42,835)
Transfer of Tangible Capital Assets to Other Government Entities (Schedule 7)	46,843	137,441
Proceeds from Disposal of Tangible Capital Assets	18,760	19,203
Cash Applied to Capital Transactions	(574,096)	(305,433)
Financing Transactions		
Net Transfer from General Revenues	2,942,829	1,938,125
Increase (decrease) in Cash	173	(3,987)
Cash, Beginning of Year	1,147	5,134
Cash, End of Year	$ 1,320	$ 1,147

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2005

NOTE 1 AUTHORITY AND PURPOSE

The Ministry of Infrastructure and Transportation operates under the authority of the Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.

The Minister is responsible for:

- working with partners to provide cost-effective, innovation and sustainable building infrastructure to support the delivery of government services;
- managing government owned and operated facilities;
- providing realty services for government facilities;
- managing government air and vehicle fleets;
- the development, construction and maintenance of an integrated transportation system to facilitate the safe and efficient movement of people and products, and the economic development of the Province;
- assisting in the provision of municipal water supply and waste water facilities;
- administering and providing funding for the Infrastructure Canada-Alberta Program which funds a wide variety of municipal infrastructure projects; and
- water management infrastructure under construction.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

(a) Reporting Entity

The reporting entity is the Ministry of Infrastructure and Transportation which consists of the Department of Infrastructure and Transportation for which the Minister of Infrastructure and Transportation is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer (to) from General Revenues is the difference between all cash receipts and all cash disbursements made.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2005

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.
Where the Ministry receives a donated asset, the fair value of the donated assets is recorded as non-cash revenue.

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated Revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- amortization of tangible capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2005

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

- government transfers which are transfers of money to an individual, an organization or another government for which the Ministry does not receive any goods or services directly in return. They are often referred to as grants. Grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made as follows:
  - entitlements, which are non-discretionary because the amounts and recipients are prescribed, are recognized when eligibility occurs;
  - transfers under shared cost agreements, which are reimbursements of eligible expenditures, are recognized when the expenditures occur.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 8.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Inventories are valued at lower of cost or replacement cost.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000 (2004 - $15,000). All land is capitalized.

Tangible capital assets of the Ministry include work in progress for buildings, computer hardware and software, highways and bridges. These costs are capitalized but not amortized until the asset is in service.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum to parties external to the government reporting entity, the fair values of these physical assets, less any nominal proceeds, are recorded as grants in kind.

Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end.

Net Assets

Net assets represents the difference between the value of assets held by the Ministry and its liabilities.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2005

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable, accrued liabilities, and holdbacks are estimated to approximate their carrying values because of the short term nature of these instruments.

Measurement Uncertainty
(in thousands)

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount.

Energy Rebates

Accrued liabilities for Energy Rebates of $56,910 (2004-$59,496) are subject to measurement uncertainty. This amount is calculated based on management's estimate of rebate claims to be received subsequent to March 31, 2005.

Provision for Future Site Remediation

The Provision for Future Site Remediation recorded as $29,386 (2004-$28,761) in these financial statements is subject to measurement uncertainty. This amount was calculated based on engineering estimates of the cost to decommission the Swan Hills Waste Treatment Plant. Prior engineering estimates received have varied materially from the current estimate. The actual costs to restore the site will not be known with certainty until the work is completed in 2018.

Site Remediation and Reclamation

Certain liabilities may exist for site remediation and reclamation which may be the responsibility of the Ministry, but are not quantified. The potential costs relate to restoring building and other sites to acceptable contractual or environmental standards. Except as disclosed above, costs for site remediation and reclamation are recognized in the financial statements when work is undertaken and no annual provision is made for future site remediation and reclamation.

NOTE 3 REORGANIZATION

(in thousands)

On November 24, 2004, a restructuring of government ministries was announced resulting in the combination of the Ministry of Infrastructure and the Ministry of Transportation into the Ministry of Infrastructure and Transportation. The budget, programs, operations and financial assets of both ministries are now part of the combined ministry. Comparative figures for 2004 have been restated as if the new Ministry has always been assigned its current responsibilities.

Net assets at March 31, 2003:	
Ministry of Infrastructure	$ 1,376,874
Ministry of Transportation	6,480,261
Net assets, as restated at March 31, 2003	$ 7,857,135

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2005

NOTE 4 ACCOUNTS RECEIVABLE

(in thousands)

	2005			2004
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value (Restated - Note 3)
Transfers from Government of Canada	$ 24,150	$ -	$ 24,150	$ 7,171
Funds and Agencies	-	-	-	13,871
Swan Hills Treatment Plant	2,529	-	2,529	4,351
Rental and Other	1,384	248	1,136	822
Refunds from suppliers	2,016	-	2,016	1,490
Interest Receivable	1,174	-	1,174	783
Seniors' Lodges	250	250	-	2,115
Fees, Permits and Licenses	2,954	36	2,918	3,390
Cost Recoveries	2,123	-	2,123	2,048
	$ 36,580	$ 534	$ 36,046	$ 36,041

Accounts receivable are unsecured and non-interest bearing.

NOTE 5 ADVANCES

(in thousands)

	2005			2004
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value (Restated - Note 3)
Travel advances (1)	$ 85	$ -	$ 85	$ 99
Other advances	102	-	102	-
Mortgages receivable (2)	-	-	-	202
	$ 187	$ -	$ 187	$ 301

(1) The Ministry has used funds advanced by Alberta Finance to provide travel advances.
(2) Mortgages receivable were repaid in the current year. Transfer of title occurred when the final payment was received.

NOTE 6 INVENTORIES

(in thousands)

Inventories consist of consumables and repair parts for the delivery of highway transportation programs, waste treatment services and air transportation services .

	2005	2004 (Restated - Note 3)
Sand, salt and gravel	$ 10,969	$ 9,649
Chemical and parts inventories	1,584	1,579
Aircraft parts and supplies	1,511	1,497
	$ 14,064	$ 12,725

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2005

NOTE 7 TANGIBLE CAPITAL ASSETS

(in thousands)

The cost of assets and the related accumulated amortization for the Ministry are summarized below.

		2005			2004
	Estimated Useful Life	Cost (2)	Accumulated Amortization	Net Book Value	Net Book Value
					(Restated - Note 3)
Land	Indefinite	$ 963,545	$ -	$ 963,545	$ 949,544
Land Improvements	40 years	11,141	793	10,348	5,447
Buildings	40 years	1,747,092	876,645	870,447	784,364
Equipment	5-40 years	44,947	24,453	20,494	18,035
Computer hardware and software	3-10 years	90,520	52,390	38,130	42,812
Provincial highways and roads (1)	50 years	8,136,049	2,347,419	5,788,630	5,606,455
Bridges	50 years	858,305	230,710	627,595	597,421
Dams and water management structures (3)		56,966	-	56,966	55,597
Other (4)	3-40 years	93,375	61,219	32,156	28,969
		$ 12,001,940	$ 3,593,629	$ 8,408,311	$ 8,088,644

(1) Highways include original pavement, roadbed, drainage works, and traffic control devices.

(2) Included in the cost of land, buildings, equipment, computer hardware and software, Provincial Highways, roads, bridges, and dams and water management structures is work in progress amounting to $505,100 (2004 - $366,391).

(3) Dams and water management structures are constructed by the Ministry and transferred to the Department of Environment upon their completion. The Ministry of Infrastructure and Transportation does not amortize these assets.

(4) Includes trailers, leasehold improvements, aircraft, and spare aircraft engines.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2005

NOTE 8 STRATEGIC HIGHWAY INFRASTRUCTURE PROGRAM

In August 2001, the Alberta Government and the Federal Government signed a five-year Strategic Highway Infrastructure Program (SHIP) agreement. Under the agreement, the two governments will share the costs of certain projects for the construction and rehabilitation work on the national highway system in the Province. Alberta Infrastructure and Transportation will undertake the projects and the Federal Government will reimburse 50% of the eligible cost of approved projects.

Transfers from the Federal Government are recognized as revenue when eligible expenses are incurred. The full cost of the project is being capitalized and amortized over the useful life of the infrastructure.

NOTE 9 CONTRACTUAL OBLIGATIONS

(in thousands)

As at March 31, 2005, the Ministry had the following contractual obligations:

	2005	2004 (Restated - Note 3)
Commitments for Capital Investment		
Construction Contracts and Service Agreements	$ 1,310,880	$ 262,846
Commitments for Operating Expense		
Information Technology Agreements	37,220	44,942
Service and Maintenance Agreements	1,116,911	677,099
Grants	1,385,787	1,495,476
Long-term Leases	460,125	434,339
	$ 4,310,923	$ 2,914,702

The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Construction Contracts and Service Agreements	Information Technology Agreements	Service and Maintenance Agreements	Grants	Leases	Total
2006	$ 353,756	$ 19,585	$ 231,002	$ 842,510	$ 77,518	$ 1,524,371
2007	112,114	17,635	129,462	428,520	75,288	763,019
2008	86,671	-	93,974	103,257	69,630	353,532
2009	77,339	-	72,918	11,500	63,373	225,130
2010	34,579	-	54,982	-	51,319	140,880
Thereafter	646,421	-	534,573	-	122,997	1,303,991
	$ 1,310,880	$ 37,220	$ 1,116,911	$ 1,385,787	$ 460,125	$ 4,310,923

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2005

NOTE 9 CONTRACTUAL OBLIGATIONS (continued)

(in thousands)

In January 2005, the Ministry entered a contract for the design, finance, build and maintenance of the South East Anthony Henday Ring Road. Construction has commenced, and is scheduled to be complete in October 2007. Upon completion of the project, the Ministry will lease the road from the contractor for a 30 year period. Lease payments will begin in October 2007 or upon completion of the project, whichever is later. The net present value of the minimum lease payments at October 2007 is $356 million. Included in these lease payments are $8 million estimated value of work-in-progress on the Edmonton South East Anthony Henday Ring Road as at March 31, 2005.
Included in the Construction Contracts are capital lease payments for the South East Anthony Henday Ring Road. The monthly capital payments are $1.95 million.
Included in the service and maintenance agreement commitments are monthly variable operating payments for maintenance of the South East Anthony Henday Ring Road which commence in October 2007. These payments will be indexed for inflation.

In addition to the contractual commitments identified above, Alberta Infrastructure and Transportation has entered into 108 contracts with natural gas suppliers to provide rebates to consumers under the Natural Gas Price Protection Act. The commitments associated with these contracts are not included in the amounts disclosed above as the amounts that may be paid under these contracts cannot be estimated and are contingent upon future market rates for natural gas and upon weather conditions that may exist during the rebate period. The expense incurred under these contracts was $245,100 (2004 - $192,000)

In the event that the market cost of natural gas exceeds the trigger price during a rebate period, Alberta Infrastructure and Transportation will reimburse natural gas suppliers for rebates applied to customer accounts at the following rates:

Cost of Gas		
From	To	Rebate per GJ
$0.000	$5.500	No rebate
5.501	7.500	$1.50
7.501	9.000	$2.50
9.001	12.000	$3.25
over 12.000		explanation below

Where the Alberta Price is over $12.000/GJ, the rebate for the marketable gas or other substance is the total of the amount calculated above and

(a) in the case of marketable gas, an additional amount per GJ that is equal to the amount by which the Alberta Price exceeds $12.000/GJ, and

(b) in the case of another substance, an additional amount per litre or kWh, as the case may be, calculated on a heat equivalent basis as determined by the Minister and based on the amount by which the Alberta Price exceeds $12.000/GJ.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2005

NOTE 10 SWAN HILLS TREATMENT PLANT

(in thousands)

On December 31, 2000, the buildings and equipment of the Swan Hills Treatment Plant were acquired by the Ministry for one dollar from a subsidiary of Bovar Inc. The facility is operated by the Ministry through a contracted operator and results of operations are included in these financial statements.

In addition, certain lands relating to the Swan Hills Treatment Plant and the associated environmental obligations were transferred to the Ministry effective March 31, 2004.

As a result of an agreement between ministers of Environment, Infrastructure and Transportation, and Sustainable Resource Development, the land and responsibilities of the Swan Hills Waste Treatment Plant and related warehouse sites were transferred to the Ministry.

A study by an environmental consultant in February 2002 estimated that the cost of remediating and monitoring the Swan Hills Treatment Plant site was $45 million at that time. A second report received in October 2002 revised that estimate to $25.9 million. Management has accepted that estimate as valid. Assuming the work will be performed in 2018 the cost of reclamation will have escalated to $37.5 million. The $29.4 million recorded as at March 31, 2005 will increase by $625 per year until 2018, at which time the liability will equal $37.5 million.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2005

NOTE 10 SWAN HILLS TREATMENT PLANT (continued)
(in thousands)

At March 31, 2005 the assets and liabilities of plant operations were as follows:

	2005	2004 (Restated - Note 3)
Assets		
Accounts Receivable	$ 2,529	$ 4,351
Chemical and parts inventories	1,584	1,579
Capital Assets	9,142	5,439
	$ 13,255	$ 11,369
Liabilities		
Accounts Payable	$ 3,346	$ 4,985
Unearned Revenue	2,984	1,107
	$ 6,330	$ 6,092

Net operating results from plant operations for the years ended March 31 were as follows:

	2005	2004 (Restated - Note 3)
Revenue (1)	$ 11,280	$ 14,433
Plant expenses before inventory transactions (2)	20,415	21,891
Consumption of consumable and repair part inventories (3)	2,085	2,823
Amortization (4)	528	100
	23,028	24,814
Net operating results from plant operations	$ (11,748)	$ (10,381)
Purchase of consumable and repair part inventories	$ 2,091	$ 2,019
Capital investment in plant and equipment	$ 4,231	$ 4,683

(1) The amount reported on Schedule 1 includes revenue from the rental of housing of $306 (2004 - $195)
(2) The amount reported on Schedule 5 includes expenses for environmental and financial assessments of $143 (2004 - $201) and costs of rental housing of $133 (2004 - $156). Plant costs include a provision of $625 for site reclamation and environmental monitoring.
(3) Some inventories were acquired at zero cost. The fair value of inventories consumed were $242 (2004 - $273) in excess of the cost recorded for the year ended March 31, 2005.
(4) Included in the Financial Transactions on Schedule 5.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2005

NOTE 11 CONTINGENT LIABILITIES

(in thousands)

At March 31, 2005, the Ministry is a defendant in 179 legal claims (2004 - 174 legal claims). One hundred and fifty-three of these claims have specified amounts totaling $582,695 and the remaining 26 have not specified any amount (2004 - 132 claims with a specified amount of $440,488 and 42 with no specified amount). Included in the total legal claims are 9 claims in which the Ministry has been jointly named with other entities, 6 of which have specified claims amounting to $226,365. Seventy seven claims amounting to $67,121 are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Certain contingent liabilities may exist for site remediation and reclamation which may be the responsibility of the Ministry. The potential costs relate to reclaiming aggregate pits on private lands to contractual and legislative standards and on public lands to legislative standards. Also, the potential costs relate to contaminated lands purchased for highway construction and to restoring buildings and other sites to acceptable and contractual standards. Except as disclosed in Note 2, the amount of such potential contingent liabilities cannot be reasonably determined and costs for site remediation and reclamation are recognized in the financial statements when work is undertaken.

NOTE 12 TRUST FUNDS UNDER ADMINISTRATION

(in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

As at March 31, 2005, trust funds under the Ministry's administration were as follows:

	2005	2004 (Restated - Note 3)
The General Trust Fund	$ 441	$ 418
The Security Deposit Trust Fund	167	172
Impaired Driving Initiatives Trust Fund	121	102
	$ 729	$ 692

The General Trust Fund holds interest bearing securities posted by contractors.
The Security Deposit Trust Fund holds deposits from tenants for rented property.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2005

NOTE 13 PAYMENTS UNDER AGREEMENT

(in thousands)

The Ministry has entered into agreements to deliver programs and services that are partly funded by the Government of Canada, the Kananaskis Improvement District and private companies. Costs incurred under these agreements are made by the Ministry under authority of the *Financial Administration Act*, Section 25. Amounts paid and payable under agreements with program sponsors are as follows:

	2005	2004 (Restated - Note 3)
Government of Canada (program sponsor)		
Infrastructure Canada - Alberta Program	$ 48,282	$ 38,220
Kananaskis Improvement District (program sponsor)		
Roadway maintenance	73	73
Tourism Oriented Directional Signage (TODS) and Logo Signs Program	32	-
	$ 48,387	$ 38,293

NOTE 14 DEFINED BENEFIT PLANS

(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense of these pension plans is equivalent to the annual contributions of $8,012 for the year ended March 31, 2005 (2004 - $7,251).

At December 31, 2004, the Management Employees Pension Plan reported a deficiency of $268,101 (2003 - $290,014) and the Public Service Pension Plan reported a deficiency of $450,068 (2003 -$584,213). At December 31, 2004, the Supplementary Retirement Plan for Public Service Managers had a surplus of $9,404 (2003 - $9,312).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2005, the Bargaining Unit Plan reported an actuarial deficiency of $11,817 (2004 - $9,766) and the Management, Opted Out and Excluded Plan an actuarial surplus of $3,208 (2004 - $1,298). The expense for these two plans is limited to employer's annual contribution for the year.

NOTE 15 COMPARATIVE FIGURES

Certain 2004 figures have been reclassified to conform to the 2005 presentation.

NOTE 16 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
REVENUES
Year ended March 31, 2005

Schedule 1

(in thousands)

	2005		2004
	Budget	Actual	Actual *(Restated - Note 3)*
Internal Government Transfers			
Transfer from Lottery Fund	$ 325,000	$ 325,000	$ 240,000
Transfers from the Government of Canada			
Cost Recoveries and Contributions	60,300	26,445	5,871
Fees, Permits and Licenses			
Civil Service Parking	2,700	2,927	2,829
Motor Transport Services	11,220	18,033	17,868
Other	-	49	272
	13,920	21,009	20,969
Investment Income (1)	4,000	5,871	6,439
Other Revenue			
Refunds of Expenditure	4,450	18,022	4,112
Lethbridge Railway Relocation Project	225	291	200
	4,675	18,313	4,312
Miscellaneous			
Swan Hills Treatment Plant	13,000	11,586	14,628
Rentals (Land and Buildings)	10,000	11,520	11,223
Vehicle Operations	500	349	478
Aircraft Services	708	538	845
Upgrading of Seniors' Lodges	-	145	1,349
Cost Recoveries	500	2,192	2,489
Other	18,740	11,336	7,959
	43,448	37,666	38,971
	$ 451,343	$ 434,304	$ 316,562

(1) Certain grants are paid into trust accounts and the Ministry earns investment income on the funds.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
DEDICATED REVENUE INITIATIVES
For the year ended March 31, 2005

Schedule 2

(in thousands)

	2005		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	(Shortfall)/ Excess
Property Operations	$ 2,000	$ 2,578	$ 578
Land Services	10,000	9,000	(1,000)
Swan Hills Treatment Plant	14,000	11,586	(2,414)
Highway Rehabilitation	128	134	6
Tourism Highway Signage Initiative	2,000	29	(1,971)
National Safety Code	500	500	-
Traffic Related Electronic Data Strategy (TREDS)	410	410	-
Infrastructure Canada Alberta Program	180	176	(4)
Strategic Economic Corridor Investment Initiative	1,614	1,625	11
	$ 30,832	$ 26,038 (1)	$ (4,794)

(1) Shortfall is deducted from current year's authorized budget, as disclosed in Schedules 4 and 5 to the financial statements.

Property Operations and Land Services
Rent is charged to agencies of government and other entities which occupy space in government operated buildings or which utilize land owned by government.

Swan Hills Treatment Plant
The private sector is charged for the disposal of hazardous waste.

Highway Rehabilitation
The private sector is contributing to the rehabilitation of the Roma overpass.

Tourism Highway Signage Initiative
The private sector is contributing to the capital investment in new tourism highway sign structures in the province.

National Safety Code
The Federal Government provides financial assistance to the provincial/territorial jurisdictions to assist in achieving consistent implementation of the National Safety Code. The Federal Government has agreed to contribute $500 per year for 4 years beginning in 2004/2005 and terminating in 2007/2008.

Traffic Related Electronic Data Strategy (TREDS)
The Traffic Related Electronic Data Strategy (TREDS) is an agreement between Alberta Infrastructure and Transportation, Manitoba Transportation and Government Services, and Transport Canada to conduct a pilot of the State of Iowa's Traffic and Criminal Software uses to determine if the product meets the needs of the Canadian jurisdictions.

Infrastructure Canada Alberta Program
The Infrastructure Canada Alberta Program is a joint project with the Federal Government and Municipalities. The Federal Government is reimbursing for the administrative costs of this project.

Strategic Economic Corridor Investment Initiative
The Federal Government is providing funding for the G8 summit legacy project and the Intelligent Transportation Systems project.

The above dedicated revenues are included in the Statement of Operations.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
Year ended March 31, 2005

Schedule 3

(in thousands)

	2005		2004
	Budget	Actual	Actual *(Restated - Note 3)*
Voted:			
Salaries, Wages and Employee Benefits	$ 118,966	$ 113,441	$ 108,142
Supplies and Services	629,499	620,887	621,869
Grants	1,510,787	2,096,891	1,288,696
Financial Transactions and Other	130	561	458
Amortization of Tangible Capital Assets and Consumption of Inventory	311,500	267,287	254,916
Total Voted Expenses	$ 2,570,882	$ 3,099,067	$ 2,274,081
Statutory:			
Supplies and Services	$ -	$ -	$ 474
Valuation Adjustments			
Provision for Doubtful Accounts	-	272	66
Provision(Decrease) for Vacation Pay	-	(124)	586
	$ -	$ 148	$ 1,126

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
BUDGET

Schedule 4

(in thousands)

	2004-2005				
	Estimates	Adjustment (a)	Budget	Authorized Supplementary (b)	Authorized Budget
Revenues					
Transfer from Alberta Lottery Fund	$ 325,000	$ -	$ 325,000	$ -	$ 325,000
Transfers from Government of Canada	60,300	-	60,300	1,404	61,704
Fees, Permits and Licenses	13,920	-	13,920	-	13,920
Investment Income	4,000	-	4,000	-	4,000
Other Revenue	48,123	-	48,123	5,128	53,251
	451,343	-	451,343	6,532	457,875
Expenses - Directly Incurred					
Voted Expenses					
Ministry Support Services	44,845	-	44,845	2,161	47,006
Infrastructure Operation, Preservation and Expansion	2,526,037	-	2,526,037	606,979	3,133,016
Dedicated Revenue Shortfall (Schedule 2)	-	(4,794)	(4,794)	-	(4,794)
	2,570,882	(4,794)	2,566,088	609,140	3,175,228
Statutory Expenses					
Valuation Adjustments					
Provision for Doubtful Accounts	-	-	-	-	-
Provision for Vacation Pay	-	-	-	-	-
	-	-	-	-	-
	2,570,882	(4,794)	2,566,088	609,140	3,175,228
Net Operating Results	$ (2,119,539)	$ 4,794	$ (2,114,745)	$ (602,608)	$ (2,717,353)
Equipment/Inventory Purchases	$ 39,850	$ -	$ 39,850	$ 8,732	$ 48,582
Capital Investment	$ 515,489	$ -	$ 515,489	$ 117,419	$ 632,908
Statutory Capital Investment					
Public Private Partnership for Edmonton Southeast Ring Road	$ 23,900	$ -	$ 23,900	$ -	$ 23,900
Other Alternatively Financed Projects	126,900	-	126,900	-	126,900
	$ 150,800	$ -	$ 150,800	$ -	$ 150,800

(a) Adjustments include dedicated revenue shortfalls.

(b) Supplementary Estimates were approved on March 24, 2005.
Treasury Board approval is pursuant to section 29(1.1) of the Financial Administration Act (for net budgeted initiatives).

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EIP AND CAPITAL INVESTMENT AND STATUTORY EXPENSES BY ELEMENT TO AUTHORIZED BUDGET
Year Ended March 31, 2005
(in thousands)

Schedule 5

	2004-2005						
	Estimates	Adjustments (a)	Budget	Authorized Supplementary (b)	Authorized Budget	Actual Expense (c)	Unexpended (Over Expended)
Voted Expenses and Capital Investment							
Ministry Support Services							
1.0.1 Minister's Office	$ 790	$ -	$ 790	$ -	$ 790	$ 601	$ 189
1.0.2 Standing Policy Committee on Agriculture and Municipal Affairs	-	-	-	106	106	89	17
1.0.3 Deputy Minister's Office	875	-	875	-	875	776	99
1.0.4 Communications	1,067	-	1,067	-	1,067	824	243
1.0.5 Strategic Services							
- Operating Expense	42,113	-	42,113	2,055	44,168	48,370	(4,202)
- Equipment/Inventory Purchases	15,000	-	15,000	(2,623)	12,377	7,102	5,275
- Capital Investment	1,200	-	1,200	568	1,768	1,336	432
Total Program 1	61,045	-	61,045	106	61,151	59,098	2,053
Infrastructure Operations, Preservation and Expansion							
2.1 Government Operations and Services							
2.1.1 Property Operations							
- Operating Expense	125,815	-	125,815	3,800	129,615	125,150	4,465
- Equipment/Inventory Purchases	-	-	-	-	-	54	(54)
2.1.2 Leases							
- Operating Expense	101,030	-	101,030	-	101,030	102,230	(1,200)
- Equipment/Inventory Purchases	-	-	-	-	-	8	(8)
2.1.3 Capital and Accommodation Projects							
- Operating Expense	14,148	-	14,148	(7,496)	6,652	7,584	(932)
- Operating Expense funded by Lotteries	12,500	-	12,500	-	12,500	12,500	-
- Equipment/Inventory Purchases	-	-	-	9,555	9,555	9,048	507
- Capital Investment	43,568	-	43,568	88,801	132,369	102,253	30,116
- Capital Investment Funded by Lotteries	20,000	-	20,000	-	20,000	20,000	-
2.1.4 Government Owned Facilities Maintenance							
- Operating Expense	9,675	-	9,675	(1,833)	7,842	9,465	(1,623)
- Capital Investment	-	-	-	1,833	1,833	1,668	165
2.1.5 Land and Site Environmental Services							
- Operating Expense	3,750	-	3,750	500	4,250	3,675	575
- Capital Investment	8,721	-	8,721	7,700	16,421	16,589	(168)
2.1.6 Swan Hills Treatment Centre							
- Operating Expense	21,625	-	21,625	(800)	20,825	20,691	134
- Equipment/Inventory Purchases	3,000	-	3,000	1,800	4,800	6,322	(1,522)
2.1.7 Air and Vehicle Services							
- Operating Expense	3,888	-	3,888	-	3,888	3,851	37
- Equipment/Inventory Purchases	1,850	-	1,850	-	1,850	1,326	524
Total Sub-program	369,570	-	369,570	103,860	473,430	442,414	31,016
2.2 Provincial Highway Systems and Safety							
2.2.1 Provincial Highway Systems							
- Operating Expense	313,282	-	313,282	2,100	315,382	320,157	(4,775)
- Equipment/Inventory Purchases	20,000	-	20,000	-	20,000	23,239	(3,239)
- Capital Investment	144,700	-	144,700	17,403	162,103	150,777	11,326
2.2.2 Transportation Safety Services	27,886	-	27,886	110	27,996	29,752	(1,756)
2.2.3 Transportation Safety Board	1,023	-	1,023	-	1,023	986	37
Total Sub-program	506,891	-	506,891	19,613	526,504	524,911	1,593

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EIP AND CAPITAL INVESTMENT AND STATUTORY EXPENSES BY ELEMENT TO AUTHORIZED BUDGET
Year Ended March 31, 2005
(in thousands)

Schedule 5

	2004-2005						
	Estimates	Adjustments (a)	Budget	Authorized Supplementary (b)	Authorized Budget	Actual Expense (c)	Unexpended (Over Expended)
2.3 Municipal Support Programs							
2.3.1 Rural Transportation Partnerships							
- Operating Expense	32,000	-	32,000	-	32,000	20,388	11,612
- Operating Expense funded by Lotteries	30,000	-	30,000	-	30,000	30,000	-
2.3.2 Alberta Cities Transportation Partnerships							
- Operating Expense	135,700	-	135,700	-	135,700	148,504	(12,804)
- Operating Expense funded by Lotteries	75,000	-	75,000	-	75,000	75,000	-
2.3.3 Resource Road Program							
- Operating Expense	18,500	-	18,500	-	18,500	12,800	5,700
- Capital Investment	1,000	-	1,000	-	1,000	314	686
2.3.4 Streets Improvement Program							
- Operating Expense	12,300	-	12,300	3,520	15,820	15,236	584
- Operating Expense funded by Lotteries	20,000	-	20,000	-	20,000	20,000	-
2.3.5 Municipal Water/Wastewater Grants							
- Operating Expense	11,800	-	11,800	-	11,800	11,787	13
- Operating Expense funded by Lotteries	20,000	-	20,000	-	20,000	20,000	-
2.3.9 Infrastructure Canada-Alberta Program							
- Operating Expense	22,000	-	22,000	180	22,180	22,081	99
- Operating Expense funded by Lotteries	5,000	-	5,000	-	5,000	5,000	-
Total Sub-program	383,300	-	383,300	3,700	387,000	381,110	5,890
2.4 Education, Health, and Seniors' Lodges							
2.4.1 School Facilities Operations	349,543	-	349,543	-	349,543	349,543	-
2.4.2 School Facilities Infrastructure							
- Operating Expense	198,764	-	198,764	-	198,764	199,678	(914)
- Operating Expense funded by Lotteries	22,000	-	22,000	-	22,000	22,000	-
2.4.3 Post-Secondary Facilities							
- Operating Expense	133,300	-	133,300	-	133,300	133,446	(146)
- Operating Expense funded by Lotteries	81,500	-	81,500	-	81,500	81,500	-
2.4.4 Health Care Facilities							
- Operating Expense	321,126	-	321,126	297,140	618,266	618,096	170
- Operating Expense funded by Lotteries	23,000	-	23,000	-	23,000	23,000	-
2.4.5 Seniors' Lodges							
- Operating Expense	130	-	130	-	130	130	-
- Operating Expense funded by Lotteries	6,000	-	6,000	-	6,000	2,583	3,417
Total Sub-program	1,135,363	-	1,135,363	297,140	1,432,503	1,429,976	2,527
2.5 Energy Rebates							
2.5.1 Energy Rebates	-	-	-	314,000	314,000	275,803	38,197
Total Sub-program	-	-	-	314,000	314,000	275,803	38,197
2.6 Program Services							
2.6.1 - Operating Expense	56,752	-	56,752	-	56,752	54,652	2,100
- Equipment/Inventory Purchases	-	-	-		-	1,256	(1,256)
Total Sub-program	56,752	-	56,752	-	56,752	55,908	844
2.7 Non-Cash Items							
2.7.1 Amortization of Capital Assets	284,500	-	284,500	(5,672)	278,828	240,990	37,838
2.7.2 Consumption of Inventories	27,500	-	27,500	-	27,500	26,297	1,203
2.7.3 Nominal Sum Disposals	5,000	-	5,000	1,430	6,430	3,852	2,578
Total Sub-program	317,000	-	317,000	(4,242)	312,758	271,139	41,619

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EIP AND CAPITAL INVESTMENT AND STATUTORY EXPENSES
BY ELEMENT TO AUTHORIZED BUDGET
Year Ended March 31, 2005
(in thousands)

Schedule 5

	2004-2005						
	Estimates	Adjustments (a)	Budget	Authorized Supplementary (b)	Authorized Budget	Actual Expense (c)	Unexpended (Over Expended)
2.8 Strategic Economic Corridor Investment Initiative							
2.8.1 Strategic Economic Corridor Investment Initiative							
- Capital Investment	266,300	-	266,300	1,114	267,414	259,060	8,354
Total Sub-program	266,300	-	266,300	1,114	267,414	259,060	8,354
2.9 Water Management Infrastructure							
2.9.1 Water Management Infrastructure							
- Capital Investment	20,000	-	20,000	-	20,000	29,347	(9,347)
- Capital Investment funded by Lotteries	10,000	-	10,000	-	10,000	10,000	-
Total Sub-program	30,000	-	30,000	-	30,000	39,347	(9,347)
Dedicated Revenue Shortfall (Schedule 2)	-	(4,794)	(4,794)	-	(4,794)	-	(4,794)
Total Program 2	3,065,176	(4,794)	3,060,382	735,185	3,795,567	3,679,668	115,899
	$ 3,126,221	$ (4,794)	$ 3,121,427	$ 735,291	$ 3,856,718	$ 3,738,766	$ 117,952
Program Operating Expense	$ 2,275,882	$ -	$ 2,275,882	$ 609,140	$ 2,885,022	$ 2,807,484	$ 77,538
Program Operating Expense Funded by Lotteries	295,000	-	295,000	-	295,000	291,583	3,417
Equipment/Inventory Purchases	39,850	-	39,850	8,732	48,582	48,355	227
	2,610,732	-	2,610,732	617,872	3,228,604	3,147,422	81,182
Program Capital Expense	485,489	-	485,489	117,419	602,908	561,344	41,564
Program Capital Expense Funded by Lotteries	30,000	-	30,000	-	30,000	30,000	-
	515,489	-	515,489	117,419	632,908	591,344	41,564
Dedicated Revenue Shortfall (Schedule 2)	-	(4,794)	(4,794)	-	(4,794)	-	(4,794)
	$ 3,126,221	$ (4,794)	$ 3,121,427	$ 735,291	$ 3,856,718	$ 3,738,766	$ 117,952
Statutory Expenses & Capital Investment							
Public Private Partnership for Edmonton Southeast Ring Road	$ 23,900	$ -	$ 23,900	$ -	$ 23,900	$ 8,000	$ 15,900
Other Alternatively Financed Projects	126,900	-	126,900	(126,900)	-	-	-
Valuation Adjustments							
Provision for Doubtful Accounts	-	-	-	-	-	272	(272)
Provision for Vacation Pay	-	-	-	-	-	(124)	124
	$ 150,800	$ -	$ 150,800	$ (126,900)	$ 23,900	$ 8,148	$ 15,752

(a) Adjustments include dedicated revenue shortfalls.
(b) Supplementary Estimates were approved on March 24, 2005. Treasury Board approval is pursuant to section 24(2) of the Financial Administration Act.
(c) Includes Achievement bonus of $2,236

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
SALARY AND BENEFITS DISCLOSURE
Year ended March 31, 2005

Schedule 6

	2005				2004
	Base Salary (1)	Other Cash Benefits (2)	Other Non-cash Benefits (3)	Total	Total (Restated - Note 3)
Deputy Minister [4]	$ 157,392	$ 30,849	$ 42,617	$ 230,858	$ 437,564
Other Executives					
Chair, Transportation Safety Board	132,216	19,436	25,914	177,566	176,186
Assistant Deputy Minister, Properties	132,216	19,436	25,914	177,566	172,388
Assistant Deputy Minister, Capital Projects	130,581	17,492	25,700	173,773	167,631
Assistant Deputy Minister, Transportation Safety Services	132,216	19,436	25,914	177,566	176,186
Assistant Deputy Minister, Transportation and Civil Engineering	132,216	19,436	25,386	177,038	175,858
Assistant Deputy Minister, Policy and Planning	132,216	19,436	25,914	177,566	176,186

Prepared in accordance with Treasury Board Directive 03/2004.

Total salary and benefits related to a position are disclosed.

(1) Base salary includes pensionable base pay.
(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments.
(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.
(4) Automobile provided, no dollar amount included in non-cash benefits figures.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS
Year ended March 31, 2005
(in thousands)

Schedule 7

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry receives services under contracts managed by Alberta Corporate Service Centre (ACSC). Any commitments under these contracts are reported by ACSC.

The Department had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2005	2004 *(Restated - Note 3)*
Revenues		
Lottery Fund	$ 325,000	$ 240,000
Parking/Rental	3,958	2,824
Air Transportation	375	734
Swan Hills Treatment Plant	480	647
Executive Vehicles/Central Vehicle Operations	344	385
	$ 330,157	$ 244,590
Expenses - Directly Incurred		
ACSC	$ 17,282	$ 15,020
IT Services	1,338	1,569
	$ 18,620	$ 16,589
Tangible Capital Assets Transferred	$ 46,843	$ 137,441
Accounts Receivable from:		
Environmental Protection & Enhancement Fund	$ -	$ 13,871
Alberta Community Development	36	-
	$ 36	$ 13,871
Accounts Payable to:		
Alberta Science and Research Authority	$ -	$ 10
ACSC	183	-
	$ 183	$ 10

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS
Year ended March 31, 2005
(in thousands)

Schedule 7
continued

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These expense amounts are not recorded in the financial statements but are disclosed in Schedule 8.

	Other Entities	
	2005	2004
		(Restated - Note 3)
Revenue		
Road/Bridge Maintenance	$ 5,572	$ 6,526
Executive Vehicles	47	51
Accommodation	255,657	226,146
Air Transportation	1,604	1,970
	$ 262,880	$ 234,693
Expenses - Incurred by Others (Schedule 8)		
Accommodation	$ 1,312	$ 1,243
Legal	1,272	1,165
	$ 2,584	$ 2,408

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
ALLOCATED COSTS
For the year ending March 31, 2005
(in thousands)

Schedule 8

	2005						2004
		Expenses - Incurred by Others		Valuation Adjustments (4)			
Program	Expenses (1)	Accommodation Costs (2)	Legal Services (3)	Vacation Pay	Doubtful Accounts	Expenses	Expenses
							(Restated - Note 3)
Ministry Support Services	$ 50,660	$ 22	$ 89	$ 127	$ -	$ 50,898	$ 47,406
Infrastructure Operation, Preservation and Expansion	3,048,407	1,290	1,183	(251)	272	3,050,901	2,233,564
	$ 3,099,067	$ 1,312	$ 1,272	$ (124)	$ 272	$ 3,101,799	$ 2,280,970

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments
(2) Cost shown for Accommodation (includes grants in lieu of taxes) on Schedule 7, allocated by square footage.
(3) Cost shown for Legal Services on Schedule 7, allocated by estimated costs incurred by each program.
(4) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts provision included in Valuation Adjustments were allocated as follows:
- Vacation Pay - allocated to the program by employee,
- Doubtful Accounts Provision - estimated allocation to program.

List of Government Entities

Entities Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Agriculture Financial Services Corporation[1]	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Seniors and Community Supports
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta[1]	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness

[1] The Crop Reinsurance Fund of Alberta was merged into the Agriculture Financial Services Corporation, effective April 1, 2003.

Entities Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Department of Innovation and Science	Innovation and Science
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Advanced Education[2]	Advanced Education
Ministry of Aboriginal Affairs and Northern Development[2]	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[2]	Economic Development
Ministry of Education	Education
Ministry of Energy	Energy
Ministry of Environment[2]	Environment
Ministry of Finance	Finance
Ministry of Executive Council[2]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services[2]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[2]	Human Resources and Employment
Ministry of Infrastructure and Transportation[2]	Infrastructure and Transportation
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[2]	International and Intergovernmental Relations
Ministry of Justice[2]	Justice
Ministry of Municipal Affairs[2]	Municipal Affairs
Ministry of Restructuring and Government Efficiency[2]	Restructuring and Government Efficiency
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Solicitor General	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource Development
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Persons with Developmental Disabilities Provincial Board	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation	Community Development

[2] Ministry includes only the departments so separate department financial statements are not necessary.

Entities Not Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Post Secondary Institutions	Advanced Education
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Education
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

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